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The SMALL BUSINESS MARKETING BIBLE 2003

David Frey



Published by:
Marketing Best Practices, Inc.
Author: H. David Frey
2507 W. Bay Area Blvd. Suite 1534
Webster, Texas 77598
Email: David@MarketingBestPractices.com

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First Edition.
Printed in the United States of America
ISBN 1-931740-57-7

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Introduction

The small business world is evolving. Competition, the emergence of the Internet, and mergers and acquisitions (not to mention the recession) have forced small businesses to rethink their marketing strategies.

Competition Is For Real... Are You Ready?

With the recession, small businesses are finding it harder and harder to compete. Many small business owners are asking themselves, “How do I ‘recession-proof’ my business?” The answer is: Make marketing your first priority!

Is customer service important? Absolutely. Are keeping your finances important? Absolutely. Is developing your employee important? Absolutely. All those processes are very important, but during a recession NONE are more important than your marketing efforts.

Marketing is what drives your business. During a recession, it will mean the difference between going out of business or weathering the storm and being a super success. Your best business years could be during this recession!

It’s during the difficult times that you learn how to stretch your marketing dollar, to make the most of your marketing investment. It’s during times like these that you learn new and innovative marketing techniques that help your business thrive.

In “The Small Business Marketing Bible,” you will learn new and different techniques to market your business that will make it immune to economic fluctuations and will increase your top and bottom line no matter what the economy is doing.

You Must Hunt Down and Capture Your Prospects

I truly believe there will be fewer and fewer consumers that are out there just waiting to buy. You will need to learn how to search out those prospects that may want to buy and convince them that they need to buy — today. To do this you will need to discover new and different ways to do prospecting and marketing.

Flashing ads with the words “sale, sale, sale” all over them won’t work. All these types of ads do is skim the cream-of-the-crop prospects. (i.e. Those prospects who are ready to buy today.) However, during the recession you will have to employ stealth marketing techniques that will quietly hunt down and capture those prospects who are secretly waiting to buy, but are too concerned about other things to make a move.

The only way to survive and thrive during competitive times is to re-focus your attention on marketing. It’s time to tune up your marketing — to make sure you’re getting new

customers in, inactive customers coming back, and your active customers purchasing more.

It's Time to Re-Double Your Marketing Efforts and Make Them Your First Priority

Now is not the time to pull back on your marketing efforts but to re-double your efforts and your commitment to be the smartest and savviest marketer in the your industry. I honestly believe that marketing is what drives successful businesses. Good marketing can overcome a multitude of business sins. They don't excuse the business sins but they can make up for them.

I have spent many years consulting in different areas of business, in both Fortune 500 companies and in small businesses. I've "reengineered" finance departments, logistics and supply chain systems, human resources functions, and even product development areas. As successful as those consulting engagements were, none had as much impact on the business then when I helped companies re-focus their efforts on marketing.

This is exactly why I left the world of big company consulting and turned my attention to helping small businesses thrive using common sense marketing techniques.

Establish Effective Marketing Systems and Put Your Small Business On Autopilot

A few of the marketing techniques I introduce to you in this manual will be completely new and somewhat unusual. But they work. They are proven. You may already be practicing some of these techniques but haven't figured out how to fully implement them so that they become a "system."

I like "systems." Systems are reliable and predictable. You can "turn on" an effective system and know what the results will be the next day. If they are done right they allow you to put your marketing efforts on autopilot and move on to implementing the next marketing strategy.

Effective marketing systems also allow you to leverage the assets that you already have. These assets can very well be the knowledge that you have stored in your brain but aren't taking advantage of because you don't know how. You will understand this more when you read the sections on "Education-Based Marketing" or "Guaranteed Marketing."

Putting these marketing techniques to work for you will put you head and shoulders above your competitors. Why? Because very few (if any) small business owners know the dynamic marketing techniques I'm about to show you — ideas that can literally double your current business within six months and have customers practically line up and beg to buy from you.

Four Growth Areas — The Key To Your Ultimate Marketing Plan

The secret lies in learning how to grow your business effectively. There are several strategies you can use to grow your business, but they all fall under four general categories.

- 1. Attract more new customers.**
- 2. Increase the average sales amount.**
- 3. Make your customers buy from you more often.**
- 4. Hold on to your customers for life.**

Every technique that I will talk about in this manual will fall under one or more of these growth categories.

I believe small businesses focus too much of their efforts on number 1 and number 4. You may disagree with me, but if a small business is receiving 40% of its new business from referrals, it may be an indication that they are not spending enough time on attracting new customers from the marketplace.

Don't get me wrong. Referrals are the best kind of customers. But if you spend the majority of your time and money trying to get them you may be neglecting a whole slew of new customers that are waiting to buy from you.

In the same vein, if a small business spends all its time marketing to new customers and ignoring existing customers, you may be missing out on a lot of low-hanging fruit.

As I mentioned, there are many ways to leverage your marketing efforts in these four categories. Here are just a few ways to improve each of your areas of growth:

Attract more new customers...

- Select a niche market that you can easily contact and dominate it.
- Develop an Education-Based Marketing program that compels your prospects to contact you to learn more about how you can help them.
- Establish a proactive referral program with centers of influence that can open new channels of growth for you and your business.

Increase the average sales amount...

- Up-sell your customers to high quality products and services.

- Suggest accessories and add-on items and services that compliment your customer's purchase.
- Combine several items into a package that would cost less if sold separately.

Make your customers buy from you more often...

- Establish ongoing communications that present compelling offers that can't be turned down.
- Follow up with your customers to see how they're enjoying the benefits of the new product or service you sold them, and suggest products or services that would increase their satisfaction.
- Track your customer's usage and buying patterns to suggest purchases right before they actually need them (this also helps keep the competition away).

Hold on to your customers for life...

- Deliver uncommon customer service by going the extra mile.
- Give your customers the opportunity to "go on record" by giving you testimonials about your great customer service.
- Perform stealth surveys with your customers from time to time to gauge their level of satisfaction.

Your goal is to design systems and programs that surround these four categories of growth strategies. In this manual I will give you specific marketing techniques for each of these areas to grow your small business.

After reading and studying this manual you will have the weapons you need to create the ultimate small business marketing plan that will help you flourish during any down economy.

You May Have to Completely Re-Think Your Marketing Strategy

As you read, think about how each strategy or method could be applied to your small business. Throw away your ego and ponder how you can customize these powerful tactics to fit into your current business model. While you're reading this manual, have a notepad handy to take notes and write down To-Do's.

Perhaps you will have to step back and take a whole new look at how you're marketing today. After reading this manual you may want to re-evaluate your entire marketing plan. Some of these ideas may be so new to you that it will compel you to re-examine your go-to-market strategy.

Don't believe for one second that many of these techniques are obvious to everyone — they're not. Only a very few know and understand them. As one of those few, you'll not only learn how to make your small business stay alive and thrive, but you'll learn how to dominate your marketplace. That's what you want isn't it?

Then dive right into "The Small Business Marketing Bible."

Sincerely,

A handwritten signature in cursive script, reading "David Frey".

David Frey
CEO, Marketing Best Practices, Inc.
Author, "The Small Business Marketing Bible"

Your Seven-Step One-Day Marketing Plan

In my small business consulting experience, I have noticed a similar attribute that is common in most entrepreneurs and business owners. Most are “doers”, not “planners.”

In reality, being a doer is perhaps the ultimate mark of a successful person. It’s what makes entrepreneurs a rare breed. Rather than thinking or wishing, they get out there and make something happen.

But I have encountered many small business owners who get into trouble “doing” the wrong marketing activities the right way or “doing” the right marketing activities the wrong way. If you want to “do” the right marketing activities the right way you must start with a marketing plan.

You don’t have to kill a tree to create an effective marketing plan. In fact, you can create a successful plan for your small business in just one day. To begin, don’t worry about writing style or making your plan fancy. Just go get a pencil and paper and let’s get started.

Step 1 — Understand Your Market and Competition

A big mistake that many small business owners make is to latch on to a cool product or service without first understanding the market and what it wants (not what it needs). If you try to sell something that people don’t want, they won’t buy it.

It’s that simple.

A profitable market consists of people who have dire wants that are being unmet, so much so that they will jump to buy your solution (product or service). A profitable market can be compared to a lake with thousands of starving fish. All you need to do is throw in the bait and it turns into a feeding frenzy.

To get an understanding of your market you should ask yourself questions like:

- Are there segments in my market that are being underserved?
- Are the segments of my market for my product or service big enough to make money?
- How much of a share of that market do I need to capture, to just break even?
- Is there too much competition in the segment of my market to be competitive?
- What are the weaknesses in my competition’s offering that I can capitalize on?

- Does my market want or value my unique competitive offering?

Step 2 — Understand Your Customer

Knowing your customer intimately is the first step to easy sales. Until you know (1) who your customers are, (2) what they want, and (3) what motivates them to buy, you can't prepare an effective marketing plan.

**** Sidebar ****

Don't confuse "wants" with "needs." People don't necessarily buy what they need, but they'll most always buy what they want. For instance, have you ever known someone that went to the store to buy a pair of pants that they needed and came back with a new shirt, sweater, and shoes? Or how about the everyday shopper who goes into the supermarket to buy some milk and eggs, and comes out with a frozen pizza, cheesecake, and other goodies?

People will buy what they want (even if they don't have the money!), not what they need. And yes, this even applies to those "sophisticated" corporate honchos (I should know. I used to be one.).

**** Sidebar End ****

To really get to know your customers you'll need to ask yourself questions such as:

- How does my potential customer normally buy similar products? (e.g. in a store, on the Web, door-to-door)
- Who is the primary buyer and the primary buying influencer in the purchasing process? (e.g. husband or wife, purchasing agent, project leader, secretary)
- What kind of habits does my customer have? For instance, where do they get their information? (e.g. television, newspapers, magazines)
- What are my target customer's primary motivations for buying? (e.g. looking good, avoiding pain, getting rich, being healthy, being popular, etc.)

Step 3 — Pick a Niche

If you say that your target customer is "everybody" then nobody will be your customer. The marketplace is jam-packed with competition. You'll have more success jumping up and down in a small puddle than a big ocean.

Carve out a specific niche and dominate that niche; then you might consider moving on to a second niche (but not before you've dominated the first one!).

You could be a “lawyer that specializes in child accident liability” or a “CPA for used car dealers” or a “dry cleaner for the Heritage Park subdivision in West Oaks, CA.” You get the picture. Make sure to choose a niche that interests you and that is easy to contact. I can’t stress this point enough.

There’s nothing more destructive than to pick a niche that you can’t communicate with or that costs you a ton of money to contact.

Step 4 — Develop Your Marketing Message

Your marketing message not only tells your prospect what you do, but persuades them to become your customer. You should develop two types of marketing messages. Your first marketing message should be short and to the point. Some may call this your elevator speech or your audio logo. It’s your response to someone who asks you, “So, what do you do?”

The second type is your complete marketing message that will be included in all your marketing materials and promotions. To make your marketing message compelling and persuasive it should include the following elements:

- An explanation of your target prospect’s problem.
- Proof that the problem is so important that it should be solved now, without delay.
- An explanation about why you are the only person / business that can solve your prospects problem.
- An explanation of the benefits people will receive from using your solution.
- Examples and testimonials from customers you have helped with similar problems.
- An explanation about prices, fees, and payment terms.
- Your unconditional guarantee.

Step 5 — Determine Your Marketing Medium(s)

Remember, when I said that it’s critical to choose a niche that you can easily contact? When you go to choose your marketing medium(s) you’ll understand why that was sound advice.

Your marketing medium is the communication vehicle you use to deliver your marketing message. It’s important to choose a marketing medium that gives you the highest return on your marketing dollar (ROMD). This means that you want to choose the medium that delivers your marketing message to the most niche prospects at the lowest possible cost.

The following is a smattering of tools you have at your disposal to get your message out:

- Newspaper ads
 - Posters
 - Contests
 - Card decks
 - Seminars
-
- Television ads
 - Signs
 - Sweepstakes
 - Door-to-door
 - Teleclasses
-
- Radio ads
 - Banners
 - Trade shows
 - Yellow Pages
 - Articles
-
- Classified ads
 - Newsletter
 - Charity events
 - Networking
 - Infomercials
-
- Billboards
 - Take-one box
 - Telemarketing
 - Magazine ads
 - Special events
-
- Sales letters
 - Flyers
 - Email
 - Movie ads
 - Ezine ads
-
- Postcards
 - Door hangers
 - Agents
 - Media releases
 - Fax broadcasts
-
- Brochures
 - Gift certificates
 - Word-of-mouth
 - Website

- Sign picketing
- Business cards
- Catalogs
- Air Blimps
- Public speaking
- Window display

The trick is to match your message to your market using the right medium. It would do you no good to advertise your retirement community using a fast paced, loud radio spot on a hip-hop radio station. This is a complete mismatch of the market, message, and medium.

Success will come when there is a good match of these three elements.

Step 6 — Set Sales and Marketing Goals

Goals are critical to your success. A “wish” is a goal that hasn’t been written down. If you haven’t written your goals, you’re still just wishing for success. When creating your goals use the SMART formula. Ensure that your goals are, (1) Sensible, (2) Measurable, (3) Achievable, (4) Realistic, and (5) Time-specific.

Your goals should include financial elements, such as annual sales revenue, gross profit, sales per salesperson, and so on. However, they should also include non-financial elements such as units sold, contracts signed, clients acquired, and articles published.

Once you’ve set your goals, implement processes to internalize them with all team members, such as reviewing them in sales meetings, displaying thermometer posters, and awarding achievement prizes.

Step 7 — Develop Your Marketing Budget

Your marketing budget can be developed several ways, depending on whether you want to be more exact or to develop just a quick-and-dirty number. It’s good to start out with a quick-and-dirty calculation and then to support it with further details.

First, if you have been in business for over a year and tracked your marketing-related expenditures, you could easily calculate your “cost to acquire one customer” or “cost to sell one product” by dividing your annual sales and marketing costs by the number of units sold (or customers acquired).

The next step is to take your cost to sell one unit or acquire one customer and simply multiply it by your unit sales or customer acquisition goal. The result of this simple computation will give you a rough estimate of what you need to invest to meet your sales goals for the next year.

Conclusion

There you have it: The Seven-Step, One-Day Marketing Plan. It's simple really. Of course you'll need to study up a bit more about your marketing medium(s) of choice, its appropriateness for your message, and its associated costs. But try not to make the development of your plan a laborious, drawn-out task. Remember the 80 / 20 rule: 80% of your results will come from 20% of your effort.

My final word of advice is to make sure you set aside uninterrupted time to develop your marketing plan. It could very well be the most important document to which you and your team members will ever refer.

The Lifetime Value of Your Customer

Knowing the lifetime value of a customer is the first step in creating your marketing budget. Lifetime customer value has two components: (1) new customer acquisition cost and (2) lifetime revenue generated by a new customer. To properly develop your marketing budget you absolutely have to know these two figures.

For many small businesses these figures are a mystery, yet they are the key ingredients to making decisions concerning marketing expenditures. Questions such as, “What should I give away as a free bonus?” or “How much should I spend on ads for the last quarter?” are answered based on the understanding of the lifetime value of a customer.

How to Calculate New Customer Acquisition Costs

To calculate new customer acquisitions costs, first research what total marketing costs were for the previous year. Next, count how many new customers you did business with last year. Finally, divide your marketing costs by the number of new customers to determine your cost per customer.

Of course, this is not entirely accurate, but it’s a pretty good guideline. Many of your customers came as a result of word-of-mouth or referrals. Perhaps some of your old customers purchased your product or service from you as well. These things can incorrectly inflate the cost per new customer.

Let’s do a hypothetical calculation for a new customer acquisition cost for a hot tub dealer. We’ll assume that we sold \$1,000,000 worth of spas and our marketing expense was 5% of revenue.

New Customer Acquisition Cost

Total marketing cost from previous year	\$50,000
Number of spas sold	166
Average cost of new customer acquisition	\$301

You’ve Got to Start Somewhere

Although your new customer acquisition cost may not be entirely correct, at least it’s a start. By the way, you should start to collect some important information from your customers at the time of the sales. For example, you should be tracking how your customers came to you and what motivated them to buy from you.

Calculating the Lifetime Revenue of a Customer

Now that you have a yardstick to use for your new customer acquisition costs, you need to look at your “lifetime revenue of a customer.” Before we do that though, you need to answer some basic questions about your business. Supposing you own a hot tub dealership, these are the questions you should ask yourself:

- How much is the average hot tub sale?
- What is the average chemicals sale?
- How often does a customer make a chemical purchase?
- What is the average spa cover sale?
- How often is the average spa cover sale made over the life of a hot tub?
- What is the average parts sale over the life of a spa?
- How often does a customer make a parts purchase over the life of the spa?
- On the average, how many referrals does one of your customers make that results in a sale?

So let’s do a hypothetical calculation with the answers to these questions. To be conservative, this calculation is based on the assumption that a family will only purchase one spa from you throughout your relationship and that spa lasts for seven years.

Lifetime Revenue / Gross Margin Calculation

Average hot tub sale	\$5,000
Total chemical sales (avg. \$15/month)	\$1,260
Total spa cover sales (\$160 every 3-5 years)	\$320
Average parts sale over the life of the spa	\$300
Sub-Total	\$6,880
Word-of-mouth referral	1 referral for every one customer
Total Lifetime Revenues	\$13,760
Average Gross Margin	30%
Lifetime Gross Margin	\$4,128

In our hypothetical examples the cost of a new customer acquisition is around \$300 and the lifetime gross margin of a customer is \$4,128.

Now ask yourself how much are you willing to invest, per customer, to grow your business. If you are grossing \$4,128 per customer would you be willing to spend more than \$300 to acquire a new customer?

I hope so!

Don't Skimp When It Comes to Investing Your Marketing Dollars

Time and time again I see most small business owners, in general, under-invest in marketing. Why? Because, invariably they don't understand the lifetime value of a customer!

This is a big mistake that many owners make. I understand that the percentage of marketing dollars spent varies from industry to industry; however, did you know that the majority of best practice small businesses invest up to 10% or more of the total revenue on marketing?

These are the most successful small businesses. Why? Because they have taken the time to compute the lifetime value of their customers and realize that its one of the best investments they can make with their money.

A Customer Service Breakthrough

Determining the lifetime value of a customer for the first time usually shocks many small business owners. If the value of one customer is so high, do you think this would change how you treat each customer?

Would you be willing to go the extra mile to make that customer happy? I suggest you put the lifetime value of a customer figure on your wall for you and your employees to see. Let it be a constant reminder of how important each and every customer is to your business.

Differentiate or Die: Your Unique Selling Proposition

Avis Rent a Car “We’re number two. We try harder.”

Federal Express “When it absolutely, positively has to be there.”

Domino’s Pizza “Fresh, hot pizza in 30 minutes or less”

What do all three of these slogans have in common? They are powerful statements of uniqueness that helped to propel their respective companies to success.

Avis Car Rental knew that Hertz, the number one car rental company, was so much bigger than them that they couldn’t compete head on so they positioned themselves as the number two car company that worked harder for the customer.

Federal Express based their slogan on a promise of delivery reliability. Domino’s based their slogan on the fact that most pizza eaters don’t care how much stuff is on their pizza, but that it is hot, fresh, and delivered quickly.

Your Unique Selling Proposition

Each of these slogans is their respective company’s unique selling proposition (USP). A USP is something that differentiates you from all your competitors both local and industry-wide. It’s what makes you so unique that people will choose to do business with you over any of your competitors. Your USP states your distinct advantage.

One of the deadliest mistakes small businesses make is not being unique. Now more than ever you must differentiate your small business. Today there is an explosion of choices for consumers. During slow times, the same number of small businesses will be vying for a diminishing number of prospects. When this happens the competitive landscape gets tougher and choices for consumers get more difficult.

If you want to survive during the slow economy you must differentiate yourself in the eyes of your prospect. Your USP is what states to the world why you are different.

***Factoid*:** The origin of USP comes from a man named Rosser Reeves who was considered the “high priest of hard sell.” He was an advertising agency chairman back in the 60’s. He wrote a book titled, “Reality in Advertising” that became very popular. It was translated into 28 languages. He introduced and defined the concept called Unique Selling Proposition.

Why is Your USP so Important

To be successful in small business you don't have to be the best, you just have to be **unique**. Identifying, developing, and incorporating your USP into everything you do is challenging. But the reward is worth every effort. It will differentiate you, distinguish you, and give you advantage over everyone in your marketplace.

“Me too” businesses rarely survive. They usually end up in price wars because they don't have anything unique about them to establish value in the minds of their prospects. They are left with only one weapon with which to compete — price. And unless you have a significant cost advantage over your other small business competitors, you will lose.

Make Your USP Crystal Clear

The more clearly you announce your USP, the more often customers will choose you over your competition. You must use your USP to dominate your local market. When a consumer thinks of your product or service, your name must be the first one that pops into her mind.

Your USP must create a real and perceived advantage in your prospect's mind. For example, Domino's made a very bold guarantee that if they didn't deliver your pizza within 30 minutes of ordering, it would be free of charge. Domino's put their USP into action.

Be Specific

How many small businesses do you hear saying, “The Best Selection in Town” or “Service with a Smile.” I have to tell you that these phrases are worn-out, tired renditions of a “me too” business. Be specific with your USP. When Domino's stated that your pizza would be, (1) fresh, (2) hot, and (3) delivered within 30 minutes, it was specific and measurable. “Buy it today and install it tonight” — that's specific and measurable.

How to Identify and Develop Your USP

You shouldn't rush or hurry the decision of your USP. You will spend thousands of dollars on advertising and promoting your USP. Once you've made your impression and then decide to change it, you begin to confuse your prospects, and it will cost you even more money to re-implement a different USP.

If your USP is a promise or guarantee, you must make sure that you can fulfill your USP promise. Domino's had a very bold USP. To get a pizza to anyone's house in Domino's marketplace within 30 minutes was sometimes a difficult feat to consistently accomplish. But the rewards were fantastic.

How do you pick a USP? You need to first identify which needs are going unfulfilled within either your industry or your local market. These are called “performance gaps.” Many businesses that base their USP on industry performance gaps are successful.

Here are some examples in different small business industries:

Example #1 — Auto Repair Industry

Performance Gap (problem) = Auto repair establishments have a reputation of being dishonest.

Potential USP (solution) = “If It Ain’t Broke, We Won’t Fix It!”

Example #2 — Dental Industry

Performance Gap (problem) = No one likes to go to the dentist because its such a painful experience.

Potential USP (solution) = “Sedation Dentistry: The Safe, Pain-Free Way to Healthy Teeth”

Example #3 — Real Estate Industry

Performance Gap (problem) = People are wary of letting real estate agents sell their homes because they don’t believe the agents will aggressively try to sell them fast enough.

Potential USP (solution) = “Our 20-Point Power Marketing Plan Gets Your House Sold in 30 Days or Less”

You can see how a performance gap can lead to a powerful USP. You can also have local performance gaps that will give you a great USP as well. For instance, if you are an electronics outlet and you have more inventory than anyone else in town you might your USP could be,

“We Have 10 Times the Selection of Any Other Electronics Store In Town. Go Visit the Rest, Then Come Shop at the Best.”

Your USP Doesn’t Have to be Unique

Although a USP is a statement of your uniqueness it doesn’t always have to be something that is only unique to you... if you proclaim it first!

For instance, if you were a furniture retailer, you could proclaim your USP to be “Buy today, we’ll deliver it tonight.” Most other competitors can do that too, but because you were the first to proclaim it, it is yours exclusively.

This is sometimes called “preemptive marketing.” You can preempt your competitors if you take a strong benefit, whether or not it’s unique, and put your stamp on it first. All others who come after you will just be strengthening an advantage that you have already placed in the minds of your prospects.

Live Up To Your USP

Be bold when developing your USP, but be careful to ensure that you can live up to your USP. Your USP should have promises, guarantees, policies and procedures, employee evaluations and other reinforcing processes to make each USP come alive.

Having a strong USP can make your business super successful; on the other hand, having a USP that you can’t live up to is suicide. I’m sure that Domino’s had to eat the cost of a lot of pizzas when they didn’t arrive within 30 minutes, but they developed a system that allowed them to deliver on their promise consistently.

Integrate Your USP into Everything You Do

Once you have put some careful thought to your USP and have developed it, you need to integrate it into everything you do. Your USP should be found somewhere in your headlines, body copy of ads, direct mail, and Yellow Pages. You should repeat it clearly and consistently in every one of your radio and television commercials.

You should include it in your sales presentation, on the walls of your business and even on your business card. You can’t over-do or wear out your USP, especially if it’s powerful.

The nation’s most successful furniture dealer is based here in Houston, Texas. You can’t turn on a radio or television without hearing the furniture store’s USP, “Saves You Money!” across the airwaves. It’s everywhere.

If you stopped someone on the street here in Houston and said two words, “Gallery Furniture” and asked them to finish the sentence, nine out of ten people would say, “Saves You Money!” That’s why it’s the most successful furniture store in the United States.

The Five Step Formula To Creating Your Marketing Message

As I was visiting with a friend of mine in the funeral business not long ago I asked him what his marketing message was and he replied “We sell peace of mind.” I said, “Yes, but explain to me what your message is to your prospects. What do you say in your brochures and advertising?” He had a puzzled look on his face as if I was from another planet.

This is not uncommon. Most small businesses are confused about their marketing message. Some think it’s their slogan and others think it’s a regurgitation of all their awards and how long they’ve been in business. Still others think it’s their vision and mission statement or their company slogan. It’s none of the above.

Why is Your Marketing Message Important?

Your marketing message is critical to everything you do in your marketing efforts. If you have a great marketing message and combine that with effective promotion, you’ll never have to worry about getting customers again. You’ll have more than you’ll ever want.

Once you have developed an effective marketing message you can (and should) start to use it in all areas of your marketing such as:

- Flyers
- Advertisements (print, radio, T.V.)
- Business cards
- Selling presentations
- Website
- Speeches and workshops
- Daily correspondence
- Proposals
- Brochures

Basically, any form of external communication will include parts or even your entire marketing message. Even outgoing faxes and your telephone answering service will use parts of your marketing message.

What is Your Marketing Message?

Your marketing message is what grabs your prospect’s attention, tells them how you can solve their problem, why they should trust you, and why they should choose to do business with you over and above any and all other choices they might have.

Most of you have already developed a marketing message and just don't know it. Some of you think you have developed a marketing message but really haven't.

For example, I was visiting with a mold remediation company here in Houston the other day and picked up one of their tri-fold brochures. Inside the tri-fold were the company's vision and mission statement and a bunch of stuff about how long they've been in business, including small bios about the owning partners and managers.

The brochure gave me no compelling reason about why I should have done business with them or how they could have helped solve my problem. This is typical. Most small business owners have this erroneous idea that prospects want to know all about their business rather than their own problems.

The Key to Creating a Winning Marketing Message

The term "message" in itself denotes a communication that is received and understood. The key to creating a winning marketing message is to make sure that it matches the wants and needs of those who receive it.

Your marketing message should "speak" to your prospect. This is done by appealing to your prospect's "hot buttons" — those sensitivities that trigger an emotional reaction.

For instance, if you found out yesterday that you were suffering from Polycystic Kidney Disease (a disease that I have, and the disease which killed my mother when I was seven years old) and you received a typical piece of "junk mail" that had the phrase, "How to Survive Polycystic Kidney Disease" on the outside of the envelope, what type of emotional response do you think you'd have?

Would you open the letter? Of course!

Why? The message matched the market (you, a PKD sufferer).

However, that was only the first step in the marketing message. It got you to open the envelope and read the headline of the letter. Now let's suppose the headline read, "New Hope for PKD sufferers — Recent Tests Point to Potential Cure to PKD."

Do you think you would continue reading the letter? Yes!

Suppose as you continued reading, you saw charts, pictures, and testimonials that provided positive reassurance that their claim to cure PKD is true. Do you think you would get excited after reading this information? You bet!

Now imagine as you got to the bottom of the letter you were given a list of other research companies that were working to find a cure for PKD, but were told that only one (the

author of the letter) had unraveled the gene sequence that held the key to a cure. Do you think you would call their toll-free number to get their free report? Absolutely!

You have just witnessed a complete marketing message in action.

5 Steps to Creating Your Marketing Message

Now that I have demonstrated the power of an effective marketing message, let's review the simple five-step formula for creating your own powerful and complete marketing message.

STEP 1 — Identify your target market.

Every successful small business has a target market, whether they know it or not. Even the local dry cleaner has a target market, which is probably all the professional people living within a five mile radius of their store. Their target market is geographic.

So the first step you want to ask yourself is, "Who is my target market?" Once you have narrowed this down then it's easier to craft a message to that market.

STEP 2 — Identify the problems that your target market experiences.

Each market experiences its frustrations and pains. The secret to crafting a marketing message that will make your market sit up and listen is to identify their problem and the pain and suffering they feel as a result of that problem.

Remember the old saying that goes, "People don't care about you, until they know you care." Identifying your market's pain and suffering tells them that you understand and empathize with them.

You'll also find that identifying the problems that your market faces will, in turn, help you narrow down your target market. For instance, perhaps you only want to target stay-at-home Moms that want to earn some extra money without leaving their homes.

So the second step you want to ask yourself is, "What is the problem they have and how does it make them feel?"

STEP 3 — Present your solution to your market's problem.

The next step is to present your solution as a simple cure for all the pain and suffering your market is feeling as a result of their problem. This step is important in that most people won't lift a finger unless they feel an urgent excruciating pain. So once you identify the pain, rub it in and make people really feel it. Make it feel kind of like an old wound that just got re-opened and had salt poured in it.

Now, identify all the benefits of your solution and how those benefits will improve the life of your prospect and take away all their pain and anguish.

Try to reverse any perceived risk that your prospect might have with taking advantage of your solution. Also, try to position your solution as being easy to implement. We are living in a “Do-It-For-Me” society and people don’t want to jump through hoops just to solve their problem. In fact, most people would rather pay the money just to have the problem solved for them.

So the third step is to ask yourself, “What is the solution that I have to offer my prospect?”

STEP 4 — Present the results you’ve produced for other people in the same situation.

It’s not enough just to tell people you have a solution; you have to prove to them that your solution works. And you can talk all day about how you solved this and that problem, but people are skeptical and don’t automatically believe you.

People will believe other people who are like them that have achieved positive results. In this step you’ll need to prove your results by giving testimonials from current and former customers and provide case studies of actual problems that were solved and the results that were achieved.

The best testimonial is one that starts out by telling the prospect what life was like before applying your solution. It should be similar to the problem that you described in Step 2. Then the testimonial should tell the prospect what life was like after applying your solution. This part should mimic many of the benefits that you gave in Step 3.

The most powerful case studies follow a similar format to that of testimonials. Your case study should be presented in three steps:

1. The problem
2. The solution
3. The results

When presenting the problem in your case study, discuss not only the problem, but also the negative results that the company was experiencing and the associated financial consequences of the problem.

When presenting the results, try to characterize all the benefits experienced as a result of the implementing the solution, how long it took to get those results (if it wasn’t a long time), and the financial implications to the company over the long-term.

So the fourth step is to ask yourself, “What are the results that my solution has produced?”

STEP 5 — Explain what makes you different from your competitors.

As a consultant in the corporate world I helped numerous companies assess potential software and service solutions. First we would send out an inquiry, then we would ask the vendors to come in and demo their product or service.

Often we asked the vendor about how they differed from their competition. I was constantly bewildered why the vendor would frequently say, “I’m sorry, we don’t bad-mouth our competitors.” For some reason, they thought that it would make them look bad or underhanded.

As a buyer, we wanted the vendor to differentiate themselves from the other vendors that we were evaluating. We didn’t care whether they were bad mouthing anyone; we just wanted to know what was different about their software compared to their competition’s product.

You need to communicate your differences!

Prospects are looking for you to communicate your differences. And those differences need to have perceived value to the prospect. They need to be something they care about.

The Big Marketing Message Mistake

The biggest marketing message mistake I see is companies communicating “What-We-Do” instead of “What’s-In-It-For-Me.” If these were two radio channels (i.e. WWD vs. WIIFM), which one do you think your prospect would rather hear?

While you are playing WWD on your radio transmitter, your prospect is looking for the WIIFM station. In order for your message to match your market you need to be broadcasting WIIFM.

Another mistake independent professionals make is to think that their credentials or label are part of their marketing message. For instance, people don’t care if you are a CMC (Certified Management Consultant), they care about what you can do for them. So being a CMC shouldn’t be a part of your marketing message.

Conclusion

Now you have a simple formula for creating an effective marketing message. Your marketing message should be used in all your external communications. It starts with knowing the wants, fears, problems, and needs of your target market and ends by crafting a message that speaks to those problems in a compelling and believable way. The result is an irresistible message that makes your prospect want to know more.

How to Make it Rain Referrals

If you don't have a systematic referral program you are missing out on one of the simplest, lowest cost ways to generate your highest quality customers. Referrals are the lifeblood of small business — if you haven't yet institutionalized a referral program, you're making a huge mistake.

Why Are Referrals So Powerful?

The reason referrals are so powerful is because they come from a credible third-party that has experienced first hand the benefits of doing business with you.

They are even more powerful when they come from a friend, because you know that a friend has no ulterior motive but to do what's in your best interest. You can believe what your friend is saying (versus hearing a commercial from a salesperson whose sole purpose is to make money from you).

Referrals are also valuable because most of the time they are completely free. How would you like to receive the benefits of the most compelling sales advertisement on earth for absolutely nothing? You can through referrals.

Research shows the importance of referrals. According to Paul and Sarah Edwards (authors of Getting Business to Come to You), up to 45% of most service businesses are chosen by customers based on the recommendations of others.

A recent Dun and Bradstreet survey found referrals to be one of the two most popular small-business marketing methods. (The other one is advertising.)

Lastly, and I think this is the most powerful reason of all, customers that give referrals become more loyal to you and your business. Once someone stands up and makes a public statement about you, psychologically they will become more loyal to you and your business.

Customer Service Doesn't Always Equate to Lots of Referrals

Customer service is critical to the success of your referral program. It is the foundation of the referral process. But just because you give good customer service, it doesn't mean that you will get a lot of referrals. Receiving referrals on an ongoing basis is as much a function of deliberate planning as it is of great customer service.

Many small business owners assume that referrals will happen by themselves if you give good customer service. This isn't true. If you are not deliberate and proactive in creating referrals, the chances of you receiving as many referrals as you want are slim.

And your best customers are ready and willing to give you referrals as was shown in the statistics above. You just need to show them how.

Word-of-mouth Advertising and Referrals are Not the Same

Word-of-mouth advertising happens when one of your customers or friends mentions your small business in a casual conversation. It's not intentional or planned. It's just something that came out of their mouth.

A referral system is a methodical process that you have put in place to capture qualified prospects through your association with other people. A "system", by its definition, is a "process that produces predictable results". A system can be turned on and off like a light switch at will. Your business needs word-of-mouth advertising, but don't confuse that with developing a methodical system for referral prospecting.

Making it Rain Referrals Starts with Your Attitude!

Time and again, the same question keeps coming to me. "How do I get more referrals?" My answer is always the same, "You must ask for them". In reality, most small business owners know that they have to ask for referrals to get more referrals, but it's the fear of asking that impedes them from moving forward.

This fear of asking is rooted in your attitude. If your attitude is one that believes that you are asking that person to go out on a limb for you by asking them to give you referrals, then you will always be battling with fear.

People Want to Give You Referrals

If you truly believe that it will be helping them if you ask them to give you referrals, your fear will fade quickly. Your customers want to give you referrals. It makes them feel good that they found a great small business that they had a good experience with, and they want to share their "little secret" (you) with their friends.

They will be seen as a hero, or someone "in the know." And when their friend receives great service from you as well, your referring customer will feel as though he was able to do their friends a great favor.

When you ask for a referral, and you have treated that person right, you are actually doing them a special favor.

How to Ask for a Referral

Has someone ever asked you for a referral? Did it go something like this: “Hey, by chance would you know someone who could benefit from my services?” You start to ponder and think about it and eventually say, “Well, not off the top of my head, but I’ll keep thinking about it.”

This is how 90% of all referral questions are asked and unfortunately, the question might as well not be asked. Rarely, if ever, will it get a positive response. Why? Because it wasn’t asked correctly. “Know anyone who...” questions are too broad for people to think about.

People need a frame of reference to help them narrow down the playing field of potential referral candidates. For instance, imagine that you are talking to one of your good clients who is pleased with your services.

You ask her, “Mary, you’re a member of the Women’s Financial Planning Association here in Chicago right?” Mary responds, “Yes, I am.” You ask, “Do you go to their meetings on a regular basis?” “Yes, most of the time.” Mary says. “Is there anyone in your association that you believe could benefit from my services? Maybe one or two people you’ve known in the group for a while or sit next to regularly?”

Did you see the difference? You gave Mary a narrow frame of reference from which to think about it. It allowed her to “see” the potential referrals in her mind. This may be limiting the number of potential people that your associates might know, but it is far more effective than opening up the ocean of people that Mary may know, but can’t remember.

Your request will also stay in Mary’s mind long after you’ve asked it because she visualized your services with much greater intensity.

Two Types of Referral Programs

Basically, there are two sources for referrals: your current customers (people who have done business with you) and other influential people. You should have an active referral system for both types of people.

Your customers are perhaps your most enthusiastic referrers because they have experienced your product. But, you may in fact, get more referrals from other influential people who have never tried your product.

Develop a system for obtaining referrals first from your customers and second from other influential people or “Centers of Influence.”

Customer Referral Program

Receiving referrals from customers starts with giving great customer service. Without going into much detail about the ins and outs of customer service, I'd like to share with you seven "Moments of Truth" that provide opportunities for you create a loyal customer for life.

Watch for these seven moments of truth and if you go the extra mile at the right time, bang! You'll have a lifetime customer.

Moment of Truth # 1: The moment your customer complains.

Moment of Truth # 2: The moment one of your new customers comes back to place a second order.

Moment of Truth # 3: The moment a customer has thanked you.

Moment of Truth # 4: The moment one of your customers has been through a hard time because of a foul-up on your (or their) part.

Moment of Truth # 5: The moment a customer needs a favor from you.

Moment of Truth # 6: The moment you see your customer in public.

Moment of Truth # 7: The moment your customer brings in a referral.

Perhaps the simplest way to harvest referrals from your customers is to write a simple letter asking them for their help.

Centers of Influence and the 80 / 20 Rule

Your best referrers are your customers, the people who have experience with you and can vouch first hand for your product and service. However, there are many other people and organizations that you must include in your referral prospecting system.

These individuals are people who know and mingle with many other influential people. These people are often known as "Centers of Influence." Centers of Influence can multiply your marketing efforts ten-fold. They turn your marketing efforts from one-to-one to one-to-many. They are the heavy hitters that can have a profound multiplying effect on your business.

A smart small business owner will spend the majority of his referral prospecting time with the 20% of their Centers of Influence that will produce 80% of the results.

Tier 1 and Tier 2 Centers of Influence

Your Tier 1 Centers of Influence are people that are directly related in some way to your industry or profession. Tier 1 Centers of influence have a connection to your industry because they provide complimentary products and services. Referrals coming from your Tier 1 Centers of Influence can be very powerful.

For example, suppose you were a chiropractor. Tier 1 Centers of Influence for you would be orthopedic doctors, massage therapists, physical therapists, family physicians, local gym owners and managers, outpatient placement coordinators, etc. All these occupations deal with people who may be in need of chiropractics.

What is Your Goal with Tier 1 Referral Givers?

Your goal with Tier 1 referral givers is to be the first person on their minds when someone asks them about purchasing your product or service. With this in mind, you should sit down with your staff and come up with ideas about how to be the first person standing in line in the minds of your Tier 1 referrers.

Here are a few ideas to start you off:

1. Be their number one referrer: Make sure that you also have a referral mindset. Before you get you must give, which means that in order to get lots of referrals from these people you must be giving them referrals.
2. Sponsor networking events or social gatherings for them. Make sure you try not to invite competitors. Have a good cross-section. You might hold several of these parties throughout the year so that you can invite several different potential referrers from the same industry.
3. Put each one of them on your newsletter list. Give them helpful information that they can use to make their sales go up. Give them marketing advice and information on new developments in your industry in which they should be aware.
4. Invite them to an all-expenses-paid marketing association luncheon that has a great speaker. Rent a limo to pick them up, serve them wine or fine drinks, and treat them like stars. (I know a mortgage broker that does this with real estate agents and makes a fortune in referrals.)
5. Purchase an information product about marketing in their business and give it to them as a free gift. They will thank you for your interest in wanting to help them grow their business.
6. If it's a big potential referrer, send them a Harry and David (www.harryanddavid.com) year-round gift that they will receive every month.

This will keep you in their minds all year long. Not long ago someone did this for my wife and me, and I glow when we receive our fruit basket each month.

If you don't have the time or inclination to develop a relationship with your Tier 1 Centers of Influence, then don't even try. If you're a chiropractor, it's better to choose only one local family physician and become close friends with him then trying to be friends with 10 physicians haphazardly.

Educate Your Tier 1 Centers of Influence with Special Reports

Arm your Tier 1 Centers of Influence with tools to help them to help their customers (and your prospects). You may consider giving your Tier 1 Center of Influence a supply of special reports that you have developed. Here are some examples of special reports used in the spa and pool industry.



Again, if you're a chiropractor and someone inquires about chiropractics to your Center of Influence she can give him a special report that will answer some of his questions. This will make your Center of Influence look good and it will also be an effective method of referring you.

Another idea is to purchase a best selling book-on-tape that you think they might be interested in and give it to them as a gift to let them know you were thinking about them. Information products that teach your Center of Influence how to grow their business are always welcome and will let them know that you are interested in growing your business.

Tier 2 Centers of Influence

Tier 2 Centers of Influence are people whom you come in contact with on a regular basis in your personal life but aren't connected to your industry. These are people who come in contact with a large number of other people. They too can multiply your marketing efforts.

Your Tier two Centers of Influence include but are not limited to the following:

1. Neighbors
2. Friends

3. Clergy
4. Small business owners
5. Corporate business executives
6. Accountants
7. Financial planners
8. Lawyers
9. Pest control people, and so on.

Your Tier 2 Centers of Influence are people that may have no idea what it is that you do. Take the time to clearly explain to them not only what it is you do, but the importance of referrals for your business.

Go one step farther by inviting them to after-hours socials. Tell them stories about some results that your customers have experienced as a result of your product or service. Get them excited about what you do. Get to know what they do by asking them questions. Now each of you can get excited when you give valuable referrals, which in turn will be transferred to the new prospect.

The Power of Cross-Promotions

Perhaps the single most powerful referral program is a cross-promotion using endorsements from other well-respected people. It's a simple idea. An associate sends an endorsement letter about you and your product or service to their customer list and you, in turn, do the same to your customer list. It's a win-win.

The reason endorsement letters are so powerful is because people will buy from people they know and respect. How many times have you asked a personal friend, "Do you know a good place to buy _____?" Or "Do you know a good _____ that I can go to see about getting _____ done?" You trust their opinion so you feel comfortable buying from businesses recommended by them.

You can make it a one-way cross-promotion in which you have someone send out a letter to their customer list and you give them a referral fee for those people who buy your service. Or you can make it a two-way cross-promotion, in which each of you sends letters to your own customers about the other's products and services.

These are some examples of complimentary product or service businesses that can take advantage of this powerful strategy:

- Pizza place and video rental store
- Accountant and financial planner
- Toy store and fast food restaurant
- Dry cleaner and clothing store
- Paint store and tile business
- Jewelry store and wedding supply

The possibilities are endless. Brainstorm with people in your network to come up with potential promotions that you can do together. The payoff can be tremendous.

Ten Questions to Help You Become a Networking Pro

In my earlier years when I was naïve, I thought that my success would increase in proportion to the number of business cards I handed out. I handed them out in droves. But I couldn't figure out why I wasn't getting any business. After a few years of experience under my belt I realized that it wasn't the numbers that count, but the quality of relationships that I nurtured.

Zig Ziglar, the famous sales trainer once said, "You can get everything in life you want if you just help enough other people get what they want." This is so true. Thanks Mr. Ziglar.

To be a great networker you must become "you" centered rather than "me" centered. Recognize that people want to talk about themselves more than anything. They are their own favorite subjects. Take advantage of that and learn these 10 questions that will make people feel warm, appreciated, and important.

The following are ten questions that Bob Burg, author of the book, Endless Referrals gives to help you get to know potential referrers and leave a lasting positive impression.

1. How did you get your start in the widget business?

People like to be the movie of the week in someone else's mind. Let them share their story with you while you actively listen.

2. What do you enjoy most about your profession?

This question elicits a positive response and good feelings.

3. What separates you and your company from the competition?

This question gives them permission to brag about their business.

4. What advice would you give someone just starting in the widget business?

This question makes them feel superior and allows them to do some mentoring.

5. What one thing would you do with your business if you knew you could not fail?

This question allows your friend to fantasize and they will be thankful that you cared enough to ask.

6. What significant changes have you seen take place in your profession through the years?

Asking people who are a little bit more mature in years can be perfect because it allows them to reminisce about the good old days.

7. What do you see as the coming trends in the widget business?

This is a speculation question and positions them as an expert in their industry, which makes them feel important.

8. What was the strangest or funniest incident you've experienced in your business?

People love to share war stories but don't usually get a chance to tell anyone about their experiences.

9. What ways have you found to be the most effective for promoting your business?

This question, again, elicits a positive reaction and also gives you an opportunity to see how they think.

10. What one sentence would you like people to use in describing the way you do business?

You are allowing them to give themselves a compliment. Who doesn't like compliments?

You'll notice something in common with each of these questions. They all center on the person you are talking to and allow her an opportunity to talk about herself. Don't expect to ask your Center of Influence each of these questions, but do have a few ready when you talk to others.

Start (or join) a Referral Group

Choose ten people that you think would be good members of your referral group. They may or may not be your Centers of Influence. Let them know that you are establishing a referral group and that they were one of the first people to enter their mind because of their great reputation.

Ask them to educate you on exactly what they do. Tit for tat. No favors, no begging, no debt, no smiley-facing, just a clean, fair, intriguing and powerful approach.

Have monthly lunches when your group can get together and then perhaps visit one of the group member's businesses to allow them to explain what they do. Find ways to serve your group members and educate them on how to grow their own businesses.

You can begin to grow your network slowly and invite other people who you or other members would feel good about recommending. It's just a matter of expanding your network to tap into the network of other professionals. Simple, doable, easy, no selling required, just honesty.

Here are the steps to maximizing your referrals and revenue:

1. Appoint yourself as the host of this network. In other words, be their leader. (No need to tell them, however.)
2. So, now that you are the leader, ask yourself, "What do my constituents need most that I can provide for them at a very small cost to myself?" The answer? Training in how to build their businesses via referrals.
3. Send a monthly note and update your group about each other's business. You need to be consistent with this mailing (or emailing) each month. In effect, the monthly list / email also works as an effective reminder that you are there!

I have a friend in the financial services industry who sponsors a monthly luncheon. Members pay a quarterly fee, which covers the cost of the lunch. He gets 50 to 100 people at his meetings and has literally stopped his advertising efforts all together.

A Caution About Giving Referral Fees

Use a referral fee as your last-ditch strategy. Money has never bred loyalty. Friendship, trust, and a positive relationship are what drive loyalty to you and your business. If you give referral fees you will undoubtedly run into a situation in which the referrer claims he gave you a referral and you disagree.

Or one of your competitors starts giving referral fees and you feel the need to continually match them, causing a referral fee war (I've seen it happen). Another embarrassing situation is when your customer finds out that a referral fee changed hands, which breaks the trust and confidence the relationship.

It just seems that whenever money enters into the equation and there is no surefire way to track it, trouble is on its way. I've seen too many good relationships go sour because of a referral fee dispute. It breeds everything you don't want in a trusting relationship.

Conclusion

Establishing a referral program with your customers and other influential people is absolutely critical. Many small business people make the mistake of not institutionalizing a systematic program for referrals. They confuse word-of-mouth advertising with a referral system and, hence, overlook the single most effective advertising for a small business. Don't make the same mistake. Develop your networking skills and referral programs today and start receiving an endless stream of new customers.

Tapping Into Your Most Valuable Small Business Asset...Your Current Customers

Not long ago I was speaking with a client in the spa and pool industry who expressed concern that his sales had grown stagnant. He mentioned that he was still actively advertising and working his lead generation process but his new customers had slowed to a trickle.

I asked him, “As a percentage of your marketing efforts, how much is devoted to new customer acquisition and how much is devoted to current customer sales?”

He glanced at me with a look of confusion and said, “What do you mean current customer sales?” He continued, “Once we sell a spa to a customer, that’s it. They’re not going to come back and buy another spa a week later. A lot of our customers come in to buy chemicals and some accessories, but that’s it. All of our efforts are focused on finding people who want to buy a new spa or pool.”

There’s Gold in Your Customer Base Waiting to be Mined

Unfortunately, my client didn’t understand the value of his customer base. There is gold in your customer base waiting to be mined. You see, many retailers focus on the first sale or the “front end” sale and spend a disproportionate amount of time looking for new customers when the real goldmine lies in the “back end” sales, or continuing stream of sales.

You’ve probably spent a lot of money acquiring your customers. Not only do you miss out on lost revenue when you ignore them, but you also flush your return on investment from acquiring your customers right down the tube.

If you have convinced a person to do business with you, it means that they have already given you a vote of confidence. If you’ve provided good service and met (or exceeded) their expectations, it’s very likely that they would be willing to give you a second vote of confidence or third or fourth. If you’re good you may even get their lifetime vote of confidence.

To Get to the Pot of Gold, You Have to Know Where to Mine

You must be able to contact your customers in order to market to them. That's why one of the first pieces of advice I give to my clients is to capture your customer's contact information at the point of sale. This process is done automatically in some businesses, but in others you must ask for your customer's contact information.

If you have ever purchased an item at Radio Shack you know that the clerk always asks for your name, address, and phone number. They don't even give you a reason, they just ask for it. They just assume you will give it to them, and you know what? 98% of Radio Shack customers do give it, without any question. The process is so automatic that you feel that giving your contact information is just part of the purchasing process.

Every small business in America should be doing the same thing as Radio Shack. But to go one step further, you should be capturing your customer's email address as well (assuming they have one). Capturing your customer's email address is the **“holy grail”** of marketing because you can market to your customer again and again at no cost.

If your customer is reluctant to give you their email address, give them a bribe, such as a coupon for their next visit or something else of value. The effort to obtain your customer's email address will be re-paid many times over.

Focus On Your Best Customers

Most businesses lose between 15 and 20 percent of their customers each year. Retailers lose even higher percentages. Depending on your business, a large majority of your customers lie dormant, having only transacted business with you once or twice. Your remaining customers are those that are loyal to you and from whom your profits can be significant.

The old 80 / 20 rule certainly applies to your customer base; 20 percent of

25% of Customers Result in 80% of Revenue					
Customer Base	Revenue per Customer	Customers Sorted by Revenue		Cumulative Revenue	Percent of Total Revenue
Customer A	\$ 20	Customer H	\$ 540	\$ 540	5%
Customer B	\$ 40	Customer L	\$ 350	\$ 890	10%
Customer C	\$ 150	Customer M	\$ 220	\$ 1,110	15%
Customer D	\$ 2	Customer C	\$ 150	\$ 1,260	20%
Customer E	\$ 3	Customer I	\$ 60	\$ 1,320	25%
Customer F	\$ 8	Customer J	\$ 45	\$ 1,365	30%
Customer G	\$ 15	Customer B	\$ 40	\$ 1,405	35%
Customer H	\$ 30	Customer P	\$ 39	\$ 1,444	40%
Customer I	\$ 60	Customer H	\$ 30	\$ 1,474	45%
Customer J	\$ 45	Customer K	\$ 30	\$ 1,504	50%
Customer K	\$ 30	Customer Q	\$ 25	\$ 1,529	55%
Customer L	\$ 350	Customer O	\$ 22	\$ 1,551	60%
Customer M	\$ 220	Customer A	\$ 20	\$ 1,571	65%
Customer N	\$ 540	Customer G	\$ 15	\$ 1,586	70%
Customer O	\$ 22	Customer T	\$ 14	\$ 1,600	75%
Customer P	\$ 39	Customer R	\$ 10	\$ 1,610	80%
Customer Q	\$ 25	Customer F	\$ 8	\$ 1,618	85%
Customer R	\$ 10	Customer S	\$ 7	\$ 1,625	90%
Customer S	\$ 7	Customer E	\$ 3	\$ 1,628	95%
Customer T	\$ 14	Customer D	\$ 2	\$ 1,630	100%
Total Revenue	\$ 1,630		\$ 1,630		
80% of Revenue	\$ 1,304				

Steps to Determine Your Top Customers
Step 1 - Compute the total sales per customer
Step 2 - Rank customers by total revenue in descending order
Step 3 - Compute cumulative revenue by customer (start with highest revenue customer)
Step 4 - Compute percent of revenue by customer (start with highest revenue customer)
Step 5 - Identify those customers that make up your 80% of your revenue

Simple Spreadsheet Sample Demonstrating How to Identify Your Best Customers

your customers bring you 80 percent of your revenues. These 20 percent are your loyal customers that come back to do business with you time and again.

Some are even “hyper-responsive” customers that pull out their wallet any time you make them an offer. These are the customers that you should be focusing your time and energy on.

Several benefits result from concentrating on servicing these customers:

- Your marketing costs go down because you do not have to blast your marketing message to the world. This is called “spray-and-pray” and is a waste of your marketing dollars.
- Your marketing efforts become more efficient because you are dealing with responsive customers, which increases your conversion rate (the number of shoppers that become buyers) dramatically.
- It rewards customers because they receive your personal attention and periodic special offers that other customers may not receive.
- It reduces your customer acquisition cost by investing your savings (from not mass advertising) on customer retention and loyalty building programs.

It’s important to categorize your customer base to identify your top 20% customers. However, to do this you must first be able to uniquely identify all your customers and the amount that they have spent with you over a defined time period (last 12 months). If you don’t have this data, start compiling it right now.

“Business Goes Where Business Is Invited” — A Case Study

It sounds simple but inviting your customers to do business with you is an effective strategy for significantly improving current sales. Take it from Max Grassfield, owner of Grassfield’s, an upscale men’s clothing store in Denver. Max founded the store 35 years ago, and is still running the business.

Max has become so skilled at inviting his customers to do business that he developed a trademarked system called, “Invitational MarketingTM.” Max issues personal invitations to his store to a carefully selected group of individuals in the Denver area. His method works.

Several years ago, Max Grassfield asked himself, “What can we do to make Grassfield’s unique?” (which is a question all small business owners need to ask themselves). The answer, which he evolved after much study, research, and effort, was to develop methods to know his customers “better than the other stores know their customers.”

For the last ten years, Grassfield’s has been collecting a database of information on its customers, who voluntarily provide it. Originally, the data included name, address, telephone numbers, sizes, birthdays, and the wife’s name. (He discovered that wives are often heavily involved in their husband’s clothing purchases.)

He regularly writes customers on a one-to-one basis that uses the customer’s first name or nickname (as the customer prefers), their sizes, wife’s name, product preferences, and references to what they bought in the previous season.

Most communications are programmed to include messages designed only for the particular customer addressed: “I’ve been keeping my eyes on the 44 long suits...” The customer’s salesperson who he met while visiting the store personally signs every letter.

Recently, he sent a wave of three different oversized postcards in one-month intervals, to 4,100 regular customers. Each card greeted the customer by name, and was signed by his salesperson. There were 117 respondents (a 2.85% response rate) with an average sale of \$451. It was an outstanding success. The final cost per piece mailed was just 48 cents including postage. For a \$1,968 investment, he brought in \$52,767 in sales. (Compare that with the cost of full-page ads!)

A couple of months later, Max selected eight suit sizes that were overstocked. Using the database, he drafted a special note to each customer whose size fit one of these eight groups. The incentive was \$100 off any suit in that inventory, and \$200 off the high-end Hickey Freeman suites. He mailed 1,164 invitations at a cost of \$558 and sold 56 suits in 39 transactions. The average sale was \$1,110 with a total volume of \$43,307!

This case study is a great example of the power of marketing to your current customer base. Max knows who his good customers are and he takes advantage of that by personally inviting them to do business with him, again and again. It also demonstrates the power and importance of collecting information about your customer and how it can be used to make you a lot of money.



ID	First Name	Last Name	Address	Phone	Morn waistline	Shirt size
1	John	Abemathu	44300 Cheek Lane	223-009-0574		34 30L
2	Bob	Underwood	443 Schedly Road	223-985-3945		36 32M
3	Jimmy	Krugger	8812 Jones Rd. Apt 5	223-546-5987		40 35S
4	David	Long	34 Hermes Dr	223-435-9889		33 34M
5	Sam	Brown	332 Johnny Walker Lane	223-434-4433		32 34L
6	Elgin	Plander	88 Mural Apt 4453	223-554-9837		31 32M
7	Robert	Wethermer	8813 Lockheed Ave. #65	223-445-9882		28 31S

Database Marketing: A Powerful Tool for Developing Customer Loyalty

Sample Customer Database Using MS Access

The Prodigal Customer — The Lost 20%

The average number of customers that stop doing business with you is about 20 percent annually. To achieve just a 10 percent increase in sales you have to add 30 percent more customers! These statistics are startling considering the average business spends six times more to attract new customers than it does to keep old ones. What is your customer attrition costing your business?

Factoid:

A survey on “Why customers quit” found that of the 20% that stop doing business with you...

- 3 percent move away
- 5 percent develop other friendships
- 9 percent leave for competitive reasons
- 14 percent are dissatisfied with the product or service
- 68 percent quit because of an attitude of indifference toward the customer by the owner, manager, or some employee.

This means that 82 percent of your customers that stop doing business with you are unhappy. Unfortunately, unhappy customers don’t usually complain about their feelings. A study from the Research Institute of America says that the average business will hear nothing from 96 percent of unhappy clients who experience rude or discourteous treatment.

Not only is having unhappy customers not doing business with you driving up the cost of customer acquisition, but it is costing you potential lost sales. The same study found that unhappy customers will tell their experience to at least nine other people, thus jeopardizing further potential sales.

So, what do you do to get all of these people buying from your business again? You assume the statistics are right and that you did something to offend them in one of your business transactions. What do you do to make your spouse start talking to you again after you have offended her? That’s right, you humble yourself and apologize and ask for forgiveness.

Tell them the truth — that they haven’t been buying products or services from your firm for quite a while and you sense something is wrong. Make sure that you communicate this in a way that absolutely conveys your genuine concern for their well-being.

After you caringly express concern for the lack of contact and business that your company has had with them, ask the question, “Is anything wrong?” Follow that up before your customer responds by adding, “Have we done something wrong or did we offend you? If we did, it certainly wasn’t intentional. Is everything all right with your business, job, family, health etc.?”

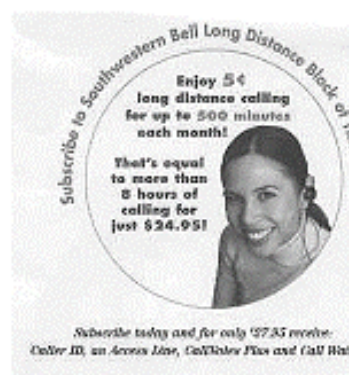
Believe it or not, this simple approach has a magical affect on your inactive customers (just like it does on your spouse).

Don’t underestimate this strategy. Even big companies use it. When Continental Airlines was about to go under in 1994, Greg Brenneman, a former consultant suggested to



December 18, 2001

David Frey
4755 Widerop Lane
Friendswood, TX 77546-3178



Dear David Frey:

Now's a great time to come back.

Join the others who have returned to Southwestern Bell for the reliable local service we have provided for over 100 years. We offer a variety of features and packages to suit all of your telecommunications needs, whether you want all the "latest and greatest" features – like SBC Southwestern Bell DSL Internet Access Service or just a phone line with Caller ID and Call Waiting.

We have some great reasons to act now!

Return your local service to Southwestern Bell and you'll be eligible to receive low monthly rates on the following:

- **Unlimited Local Calling**
- **Our Most Popular Features Like:**

- Caller ID - Call Waiting - CallNotes Plus Voice Messaging Service

Plus, sign up for Prodigy Internet Dial Up Service at a rate of only \$14.95 per month!

Also, Southwestern Bell Long Distance has many plans available to fit our customers' needs. Southwestern Bell can place all of your telecommunications solutions on one simple bill. A courteous and knowledgeable service representative will assist you to find a plan that fits your call pattern.

One of the most popular long distance plans is the Block of Time. You'll enjoy up to 500 minutes of calling every month for just \$24.95 per month, which equals only 5¢ a minute. Call anywhere in the U.S., in state or out-of-state, 24 hours a day, 7 days a week. Don't worry about "special calling times," and pay 7¢ per minute for each additional minute over 500.

Act now to get SBC Southwestern Bell DSL Internet Access Service and a FREE self-installation kit when you sign up for one year of service at only \$49.95 per month. Plus choose one of the additional gifts below:

- \$199 value reward rebate

Or

- **FREE** MP3 player and software package – includes MP3 player and one-year subscription to Premium Listener Service (PLUS)

Call **1-877-461-2451** now and our friendly customer service representative will tell you which services and offers are available in your area.

Welcome back to Southwestern Bell.

Sincerely,

Southwestern Bell

Sample Letter From Southwestern Bell Asking
Me to Come Back

Gordon Bethune, CEO of Continental, that they win back their customers by calling them and personally asking for forgiveness and for a second chance.

Greg Brenneman, who later became Continental's Chief Operating Officer, and Gordon Bethune both got on the phones with their executive staff and started to call their best inactive customers one-by-one. It worked like gangbusters. Inactive customers who were dissatisfied with Continental were impressed by the personal phone call and came back in droves. Since then its stock has risen 1,700%.

Be a Full-Service Provider Without All the Hassle

Let's go back to my client in the spa and pool industry who mentioned that he didn't know what more to sell his customer because they had just purchased a spa, a one-time item purchase. He did have a valid point. He personally couldn't sell his customer much more than chemicals and accessories, BUT, he could be a full-service provider by offering complimentary products and services in which his customer might be interested.

How? I advised my client to meet with the owners of other businesses that provide complimentary products and services that his customer might be interested in, and strike up a commission or referral deal. This way he could still benefit economically from his relationships with his customers and continue to provide his customers other products and services.

To maximize this strategy you might consider asking your customers what they are lacking and then find out how to solve it. As the sayings go...

Find a need and fill it. Find a hurt and heal it. Find an itch and scratch it.

Virtually every successful small businessperson you ask will tell you that finding and meeting unmet wants is the name of the game when it comes to winning customers. The better you do this, the more customers you'll win.

Conclusion

Don't make one of the biggest mistakes in the book by ignoring your customers. You paid a lot to get them. You'll pay a lot if you offend them. Why not make a lot by delighting them?

Joint Ventures: Using Other People's Customers to Get New Business

Recently, I developed a marketing manual for a niche industry that I service. After reviewing the chapter in the manual about producing television spots, I admitted to myself that it wasn't as strong as most other sections. Knowing a media consultant that serviced the same industry, I contacted him and inquired as to whether he might want to beef up the chapter on television production. In return I would recommend his services to business owners in the industry.

Sadly, he declined because he considered me to be his competition and he didn't think it would be "smart" for him to collaborate with me. I kindly smiled and offered my thanks. As I walked away, I thought to myself how foolish and shortsighted this fellow was for not taking me up on my offer. He just turned down thousands of dollars in business. I was not only offering him the opportunity to have full access to my customer base, but an endorsed promotion to my customers!

Too many small businesses make the mistake of not looking beyond the walls of their own business to see the vast opportunities of business waiting for them through "joint venture marketing." Joint venture (JV) marketing is the process of marketing to the customers of complimentary businesses.

I'm not talking about ruthlessly going after your competition's customers. Not at all. I'm talking about gaining access to new prospects with the express permission and cooperation of the business that acquired those customers in the first place.

The "common customer" is the center of the joint venture marketing concept. Your customers are also customers of other businesses that sell related products. For instance, suppose that you are a personal sports trainer. You help your customers get and stay healthy. Most likely your customers also purchase products and services from...

- Athletic shoe and apparel stores
- Athletic equipment providers
- Fitness centers
- Health-related mail order catalogs
- Health-related magazines and books
- Health food and nutrition stores
- Sports events
- Health-related television providers



All these Businesses Share the Same Common Customers Making Them Potential Joint Venture Partners

All these businesses market to more or less the same customers. As a personal sports trainer, do you have something of value to offer the customers of these other companies? Joint venture marketing is about developing a special offer and getting the company with the related product or service to present the offer to their customers, resulting in a win-win for both of you.

Your Only Limitation is Your Imagination

To demonstrate what I'm talking about, allow me to share with you some great examples of smart joint venture marketing.

Example #1 — If you own a wallpapering business or deck-building business, you could offer to provide wallpapering and deck building classes at local do-it-yourself stores in trade for referrals and exposure.

Example #2 — If you sell men's apparel, you could approach local dry cleaners to display your store coupons while you offer dry cleaning coupons to your store visitors.

Example #3 — If you are a hair salon owner, you might consider giving away free perms by allowing local nail salons to give them away as a premium. This way the nail salon benefits by offering their customers a valuable freebie, and the hair salon benefits by gaining free exposure and new customers.

Example #4 — If you're a transmission repair facility, you could assemble a card deck with local tire companies, brake repair shops, lube and oil change businesses, collision repair facilities etc. Charge each participant a production fee for the card deck. Once the card deck is assembled, have each business send a deck to their customer list with a letter endorsing the other related businesses.

Example #5 — As a lawyer you may want to approach your CPA and ask if he would be willing to do an "endorsed mailing" to his customers and allow you to do the same for the CPA. An endorsed mailing would include a simple letter endorsing the services of someone else, and perhaps even include a free consultation. This works very well for professionals.

Example #6 — If you're a chiropractor, you may consider approaching local massage therapists and persuading them to give away free massage gift certificates to friends and associates. Once the customer comes in for their free massage the therapist will endorse your services and refer the customer to you. If the customer comes to you for a free screening, you could pay the massage therapist a fee for the free massage that the customer received.

You get the idea. There is no limit to the types of joint ventures you can profitably set up with other related businesses. Actually, you can even do joint ventures with unrelated businesses as well. Recently, on a vacation to Mexico, my wife and I were laying out by

the pool. Suddenly we heard an announcement about a fashion show that would be taking place at poolside (right in front of us). The fashion began and a talented lady named Regina Roberts introduced us to a wonderful line of custom designed Caribbean fashions.

The models walked around the pool and allowed all the vacationers to get a good look at some beautiful clothing that was very reasonable priced. After the show the poolside guests were invited to shop right there (she brought her whole line with her to the pool). Ladies rushed to get first dibs on the popular pieces.

It turns out that Regina has a joint venture agreement with the hotels to provide fun fashion shows to the hotel's guests while she gets to sell her clothing line.



This is Regina and Her Beautiful Clothing Line

How to Approach Your Soon-to-be Venture Partner

The trick to getting potential JV partners is to “show them the money.” Your approach should be a simple proposition. “Mr(s). Business Owner, would you like to instantly make \$10,000 to \$20,000 or more without any effort, risk, or investment on your part?

What sane businessperson could say no to that proposition. As a matter of fact, they’ll probably be more skeptical than excited. Whatever their reaction is, they most assuredly will be curious.

Once you have their attention you need to calm their fears about the JV being a too-good-to-be-true proposition. Ensure that you address the following points:

- Your product or service is absolutely noncompetitive to their product or service. In fact, your product is complimentary to theirs and will be perceived as a caring gesture by the customer.
- The JV will not harm or take away any profits that they might ordinarily realize.
- They won't have to do any additional work or spend additional money to rollout the venture (you are prepared to absorb all production costs).
- You will indemnify and hold them harmless and you'll include an unconditional guarantee for all your products sold through them.
- You will have all the orders routed through them for verification and auditing purposes.

These statements will calm any fears that your related company may have. You've just made it a completely risk-free venture.

Unfortunately, many companies still won't understand the concept and how it will benefit them. It's good to have proven marketing materials and processes that will help you quantify the revenue they can expect from the venture.

For example, provide a proven sales letter that you have already tested. The sales letter has a proven respectable response rate. You can almost guarantee the amount of money your potential JV partner will make. This is a powerful tool that you can use to persuade your potential partner to say yes.

Hint: You should provide a discount or incentive as a unique, customer-only private offer. This will make your partner's customers feel as though partner is doing them a favor by arranging a special promotion just for them.

To Our Valued Customer

Sometimes we get so busy that we forget to let you our customers like you know how much we appreciate your business. So incase we haven't told you lately...*THANK YOU!*

It's customers like you who have made us who we are – we hope our appreciation shows in the way we do business. We work hard to be the most courteous and helpful men's wear service you'll ever find. We also find the absolute best values for you every day.

For instance, the suit you just purchased is of high quality and to keep it looking sharp we know you'll need great cleaning. So we found the best garment cleaning service in the area and purchased you a gift certificate worth \$18 worth of cleaning.

"This Certificate Entitles You to \$18 in FREE Cleaning from (Name of Cleaner)"

It's our gift to you with no catches or gimmicks. It's just our way of saying thanks. Use this certificate and let us know how you like it. Again, *Thank You* for your loyalty.

Protect Your Fine Garments

FREE Dry Cleaning and Laundry

This gift certificate entitles the holder to each of the following services... one FREE service per visit please.

- ☐ Free Dry Cleaning, Reg. Suit or Dress
- ☐ Free Dry Cleaning, Reg. Blazer or Sweater
- ☐ Free Dry Cleaning, Reg. Slacks or Skirt
- ☐ Free Dry Cleaning, Reg. 3 Reg. Shirts

One Gift Certificate Per Household

Example of Joint Venture Between a Men's Wear Store and a Dry Cleaner

Handling Potential Objections

Objection #1 — “I don't feel comfortable having you interface with my customers. I don't like having someone else control the relationship with my customers.”

Response — “That's fine. As a matter of fact, it would be better if you interfaced directly with your customers on our behalf. We are more than willing to do all the legwork, which will take the burden off you. We can have a JV meeting periodically to review how everything's going and to make sure that you're comfortable with the process.”

Objection #2 — “How can I be assured that I will get paid my share of the revenues?”

Response — “No problem. You can control all the money. You can pay me periodically. I trust that you'll handle the proceeds from our JV fairly and properly. If you would like we could set up an independent account and a third-party bank with escrow instructions. This way there's no risk for either of us.”

Note: Be completely honest, open, and trusting. Your ultimate goal is to establish an ongoing synergistic relationship with your partner. This will only happen with a win-win relationship based on honesty and trust.

Objection #3 — “How do I know your proposal is going to make me money?”

Response — “We’ll start off the project with a limited pilot test with a small group of your customers. After the results come in we can review our revenue targets and feedback from your customers. If you are comfortable with the results we’ll move forward.”

Note: When negotiating your joint venture deal always try to get an agreement to extend your relationship. For instance, get agreement at the start that if the test goes well, the joint venture will last for the next 12 months. You don’t want your partner company stealing your good idea and playing you against your competitors. (Yes, unfortunately there are some unscrupulous business owners out there that would do this.)

Take These Steps to Get Your Joint Venture Going

Step 1 — Understand your numbers. You’ll need these to demonstrate how much money your partner could make. For instance, if you’re a health club owner, know what your response rate is for a typical direct mail campaign and the dollar value of each new customer.

Step 2 — Make a list of potential complimentary or related products and services. Don’t leave out products or services that aren’t necessarily related in which your customer might still be interested.

Step 3 — Make a list of the businesses that sell those products and services. Specifically note those companies in which you know the owner or have contacts. Then send a letter to those people and propose a meeting to explain your strategy further. Always start by introducing yourself and asking if they would be interested in making money (use a specific amount) with little to no effort. Make a follow-up phone call to set up the appointment.

Step 4 — Present a compelling fact-based case for a joint venture. You might even mention that you have a call in to one (or two) of their competitors to present the potential venture to them as well.

Step 5 — Deliver on what you promise with integrity, honesty, ethics and enthusiasm.

Potential Joint Ventures Are All Around You — Take Your Blinders Off!

As a small business owner, you should always be thinking about establishing joint ventures, even if it’s just a lead generation joint venture. A chiropractor friend of mine has “drop boxes” in various business locations offering a free back massage and screening, in addition to a drawing to win a free service or product offered by the business hosting the drop box.

It took him less than a week to pull this off and the businesses were more than happy to help him. He gets lots of referrals without any effort through this simple JV.

Unfortunately, as small business owners we are taught to fight our competitors to win over their customers. In Joint Venture Marketing you partner with your competitors to win new customers. Potential JV's are all around you, waiting for you to take advantage of them. Stop thinking "competitor" and start thinking "opportunity"!

What Business Are You In?

A couple of weeks ago I was visiting with a marketing executive friend of mine. I was excitedly telling him all about the new marketing course that I had just developed and how awesome it was. He patiently sat and listened to me.

He could see that I was really enthused about what I had just created. After I had finished my boasting and gloating he got up, and as he started to walk away he said, “That’s great David. Now the real trick will be getting people to buy it.”

What is the Principle Objective of Your Small Business?

My first reaction to his comment was, “What do you mean? Of course people are going to buy it. It’s the best work I’ve done to date.” But as I pondered his comment for a moment, I realized that I had fallen into the age-old deadly small business mistake that most entrepreneurs fall prey to: forgetting the principle objective of my business.

My marketing friend subtly reminded me that my principal occupation is NOT marketing consulting; it’s the MARKETING of consulting services.

“Any Fool Can Make Soap, It Takes a Clever Man to Sell It”

There is an old advertising quote that says, “Any fool can make soap, it takes a clever man to sell it.” This is as true today as when it was first uttered many years ago. Any Tom, Dick, and Harry can make a bar of soap. In fact, Harry might make a soap so advanced that it is even self-rinsing! (By the way, there is a self-rinsing soap called the “Hand Sanitizer”, made by Purell... It’s fantastic)

Even if it’s the most advanced soap on the planet, it won’t matter if no one buys it. I hate to think of my masterful marketing course as just another piece of soap, but that’s exactly what it is. There are a thousand great marketing courses out there...

...but it takes a clever man (or woman) to sell them!

Failing to understand (or accept) this principle is so poisonous that it can kill any small business fast. You see, to make a small business successful you need cash flow. To get cash flow you need customers. To get customers you must sell your product or service.

You might be a plumbing wizard or a crack electrician, but so are the fifty other plumbers and electricians whose ads sit right next to yours in the Yellow Pages. No matter how great your technical skills are or how innovative your product is, your business will wither away and die — like 80% of all small businesses — if you can’t sell them.

“How Would You Do Things Differently If... “

Let’s suppose for a moment that you truly did internalize this critical principle. Suppose that you sincerely believed that your most important function was the marketing of your products and services. What would you do differently tomorrow morning?

- Would the contents of your daily to-do list change?
- Would you allocate and prioritize your time differently?
- Would you consider changing your role in the organization?
- Would you change the criteria and process with which you screen new employees?
- Would your personal training agenda and employee training change?

I would suggest that if you really believed deep down that your primary business objective (and number one goal) is to **market** your products and services, your to-do list, the way you allocate your time, your role in your company, the hiring process, and your personal and employee training would be radically different than it is today.

High Value Activities

Now that you know what your primary business objective should be, what are you going to do about it?

In my prior life as a big-time corporate consultant, I sometimes felt uncomfortable about how much my company billed my clients for my time. I often asked myself, “Am I adding value right now, equal to the price my client is paying?” It helped me to prioritize my activities.

I suggest that you make a habit of asking yourself that same question every day. Allow me to list a few activities that I (and you should) consider “high value.”

- Creating (or developing) something unique in your product or service.
- Attending direct response marketing conferences / workshops / bootcamps.
- Meeting with your mastermind-marketing group.
- Building your personal marketing swipe file.
- Finding low-cost targeted advertising opportunities.
- Studying the marketing strategies of your competitors and other businesses outside of your industry.
- Networking with other owners and representatives of businesses that target your same market.
- Testing your advertising and marketing to improve your current response rates.
- Writing articles for trade journals, local newspapers, magazines, industry newsletters, etc.
- Writing sales letters and managing your direct mail marketing campaigns.
- Training employees on current offers and how to present them to customers.

OK, that's enough. Do you get the idea? Normally, your Director of Marketing would perform those activities. You must become the Director of Marketing! That should be your new role in your business. Why leave the absolutely most critical part of your business to someone else?

I can hear you saying right now, "But I'm already doing all those things." And my response is, "How much time are you devoting to those "high value" activities?" Do you need to hire a manager or assistant to relieve you of all your other duties so that you can focus exclusively on those activities that have the most impact on your business?

Brian Tracey, a famous author and speaker has said that, "to be really successful, you should stop doing any activity that wouldn't normally pay you what you're worth." For example, if you think you're worth \$50 an hour, why would you be filing papers when someone else can do it for \$8 an hour?

Becoming a Master of Direct Response Advertising

If you were to ask me, "David, I only have \$1,000 to market my product. Where should I spend this money to get the highest return on my investment?", my response would be to invest it on your personal education. Nothing will bring you a greater return on your marketing dollar than your personal investment in becoming a master of direct response marketing.

I regularly spend thousands of dollars every year investing in books, tapes, CDs, workshops, conferences, videos and every other form of educational medium. In fact, as I have interviewed many successful business people, I have consistently found one common trait. Each person had a passion and insatiable desire to learn and invest heavily in their own private education.

What Do Bill Gates and Oprah Have In Common?

What do Bill Gates and Oprah have in common other than their own personal Fort Knox? An insatiable desire to learn. Did you know that every year Bill Gates goes away for a week with a suitcase full of books just to read? If Bill can find time to do it so can you.

Oprah is famous for her book club. Do you have a reading list? And if so, what is on it? If you want your business to succeed, let me recommend a few books that should consider having on your reading list.

Getting Everything You Can Out of All You Got — [Jay Abraham](#)

The Ultimate Marketing Plan — [Dan Kennedy](#)

An Entrepreneur's Guide to Commonsense Marketing — [Brad Antin](#)

Successful Direct Marketing Methods — [Bob Stone](#)

Marketing Secrets of a Mail Order Maverick — [Joe Sugarman](#)

Influence: The Psychology of Persuasion — [Robert Cialdini](#)

How to Promote Any Product for Under \$500 — [Jeff Slutsky](#)

This list is only a start, but it will give you a good solid education about the fundamentals of direct response marketing.

How Free Giveaways Can Boost Your Small Business Revenues

Offering free giveaways to prospects and customer is a powerful business-building strategy that can result in a flood of new and repeat customers.

It may seem counterintuitive to give away your products and services to build your business, but people can't resist the lure of receiving something for free. The word "free", as worn out as it may seem, is still the most powerful word in marketing. It has a hypnotic effect on people.

Why Free Giveaways Work

The reason free giveaways work so well is two-fold. First, prospects that test your product or service risk-free will hopefully recognize its value and continue purchasing what you offer. Or even better, your prospect will get "hooked" on your product or service and won't be able to live without it.

Second, the fact that your product or service was given to your prospects as a free gift will compel them to return the favor by continuing to purchase from you. This principle is called the "Law of Reciprocity". Simply stated, people naturally feel an obligation to return favors as a way of expressing their thanks.

The Law of Reciprocity works! The Hare Krishnas raised millions of dollars in the late sixties and early seventies using this principle. In airports the Krishnas would give away small wooden umbrellas as a free gift and would in turn, ask for a donation.

After the donor would give their donation, they would toss the little umbrella into the first trashcan they passed. The Krishna would then pick the umbrella out of the trashcan and turn right around and give it to the next person. It worked like a charm.

Know Your Total Customer Value Before Giving Freebies

The key to safely offering free giveaways is to know your "total customer value." This is the amount of profit you will receive from your customer over the total length of your relationship. This figure not only includes business that you will receive from your customer, but also any referrals you may receive from them.

For instance, suppose you own a dry cleaning business and you compute your average "total customer value" to be \$1,250. How much money would you be willing to invest in free giveaways to acquire a new customer? \$50? \$100? \$200?

The answer is * yes * to all of the above. Why wouldn't you invest \$100 to gain \$1,250 in profits? Coincidentally, this is why most small business owners are nervous about offering free giveaways. They don't understand the principle of "total customer value."

Information — The Ultimate Free Giveaway

Ideally, it's best to offer free giveaways that are low-cost but that have a high perceived value to the person you are giving them to. Information is a great example of a free giveaway that has a low product cost and a high perceived value. This is why it's smart for small businesses to use special reports containing "insider" information as free giveaways for new customer lead generation.

Your special report could be a written document, an audiocassette, or a video containing subject material that your target market would be interested in. Videos especially have a high perceived value. A valuable reference guide that I use often is "Spencer's Guide To Special Interest Videos" which has over 13,000 hard-to-find videos.

For instance, the following are videos that you'll find in this guide that you can purchase as free giveaways for your prospects:

Example # 1 — Used Car Dealer

"Buying Your Next Used Car" — 36 minutes

"Don't Get Stuck with a Lemon: Smart Consumer's Guide to Buying a Used Car" — 20 minutes

"Drive Home a Better Deal: Insider Secrets On How to Buy Your New Car, Truck or Van for Less" — 55 minutes

Example # 2 — Sports Fishing Gear Retailer

"Basics of Better Bass Fishing" — 57 minutes

"Advanced Trolling for Saltwater Fish" — 60 minutes

"Fishing Bloopers" — 60 minutes

"Successful Fly Fishing Strategies" — 102 minutes

Example # 3 — Beauty Salon

"Basic Make-Up Techniques" — 60 minutes

"40 & Over Make-Up Techniques" — 60 minutes

"Hollywood Make-Up Secrets" — 60 minutes

Example # 4 — Chiropractor

"Back in Action" — 40 minutes

"Back Pain Relief" — 60 minutes

“Exercise For a Pain-Free Back” — 48 minutes

Example # 5 — Quilt Shop (My wife is into quilting)

“How to Make Patchwork Quilts” — 160 minutes

“Reversible Quilts” — 55 minutes

“Basic Quilting” — 90 minutes

Giving away free informational videos can turn a mediocre offer into a valuable and compelling offer.

Free Giveaway Case Studies

There are a myriad of ways to offer a free giveaway and many effective types of giveaways (other than information) that small businesses can use to attract new and inactive customers. The following are a series of case studies from different small businesses demonstrating how each uses free giveaways to build their businesses:

Case Study # 1 — Mobile Video For Hire Van

The owner of a mobile video for hire service wrote a letter offering the use of a free rental van for four weeks. Why four weeks? To get people into a habit of using his service. The result? 19.6% redemption rate and as many as 65% of the people who took up the free offer went on to become regular customers.

Case Study # 2 — Health Club

A health club gave away six weeks of free memberships has saved a fortune on conventional advertising costs by having health food stores and sports shoe retailers give their free membership away to their customers as a special gift. The majority of free trials tuned into paying members at over \$500 per membership.

Case Study # 3 — Optometrist

An optometrist mailed a postcard to prospects offering free eye exams, including four different types of eye tests (dry eye test, glaucoma test, visual acuity test, cataract test) to patients they hadn't seen in two years. The optometrist grossed an extra \$10,000 in two days and the phone rang off the hook, non-stop.

Case Study # 4 — Oil and Lube

An oil and lube center offered a free tire rotation, oil change, and fuel injection service. However, the customer was only allowed to take advantage of one of these services per visit. The free service giveaways resulted in significant up-sells on each visit and the opportunity to capture the customer's personal and automobile information for future offers.

Case Study # 5 — Hair Styling Salon

A hair styling salon offered a free children's haircut with every visit. Most of the customers brought an average of two to three of their children to get their hair cut, resulting in a doubling of their weekly sales figure.

Case Study # 6 — Chiropractor

A chiropractor offered a free back massage gift certificate for Valentine's Day with a free new patient exam including an x-ray, neurological and orthopedic exam. To make this offer super-successful, he went around to local businesses and gave several gift certificates to the local owners and managers to give to their employees as a free gift.

Case Study # 7 — Dentist

A local dentist offered a free teeth-whitening with a comprehensive new patient exam, including x-rays. To make this particular offer a winner the dentist sent several coupons to existing customers who had already received the teeth-whitening service, to give to their friends as a special gift. To make it even more effective, he coded each coupon and offered three free whitening sessions to the customer that sent in the most referrals.

Case Study # 8 — Carpet Cleaner

A carpet cleaner offered to steam-clean two rooms absolutely free. No strings attached. Once the cleaner was in the home he checked for stains on the floor, rugs that needed stretching, holes or weak spots in the rug, and he even performed an air duct inspection. The result was an average of \$60 to \$80 dollars worth of services sold per free cleaning.

Case Study # 9 — House Cleaning

A house-cleaning service offered to do a full house-cleaning free in the month of December. They called it, "Santa's Gift to Mommy." They were immediately deluged with requests. Once "Mommy" saw what they could do to their home and how good she felt with a clean house, 38% of them signed up for the regular service. The biggest problem the house-cleaning business owner had over the next 12 months was finding staff to do a good job of cleaning.

Case Study # 10 — Vacuum Cleaner Retailer

(I included this case study because David Oreck is such a fantastic direct marketer.) David Oreck, chairman of Oreck Vacuums gives away a free Cordless Speed Iron just for taking the "Oreck XL Challenge" and trying out his 8-pound vacuum cleaner. Even if you don't buy the Oreck XL vacuum cleaner you get to keep the Cordless Speed Iron! And if you end up purchasing the Oreck XL vacuum cleaner, you also get his Oreck

Super Compact hand-held vacuum. Now here's a guy who knows what "total customer value" is all about!

Justify Any Deal That's "Too Good To Be True"

If your offer that includes free giveaways appears "too good to be true" to your prospect, it could decrease its believability and your credibility. To avoid this you should always give the reason why you can offer such a great deal.

It might be that you goofed and are now overstocked, you got a great deal from your supplier, or you just want to say thank you in a meaningful way. Whatever the case may be, give a reason. It doesn't even have to be a good reason; it just needs to be believable.

Remember, your prospect is very skeptical and has good reason to be. We've all been duped at one point in time by a "too good to be true" scam. Furnishing your prospects with the reason why you can offer them such a good deal helps them to logically reconcile your offer in their minds. In turn, this will give your prospect the comfort level needed to act on your offer.

Conclusion

Using free giveaways is an effective marketing strategy if used correctly. Think about what you can offer free-of-charge that your prospects would consider valuable, and that you can give at a low cost to you. Don't forget to compute your total customer value so you know how much you are able to invest in attracting a new customer. Lastly, make sure you justify any offers that are just too good to be true.

Guarantee Marketing: How to Turn Your Guarantee Into A Competitive Weapon

One of the reasons people don't buy from you is the perceived risk they believe they are taking in purchasing your product or service. These risks include:

1. Making the wrong decision
2. Losing money
3. Not receiving what they paid for
4. Not being satisfied and then not being able to recoup their investment.

There are a number of risks that people must hurdle over to purchase your product or service. One strategy to overcome these risks is to offer a rock solid guarantee that will make their purchase risk free, or at least decrease the risk as much as possible.

A strong guarantee makes it less threatening for people to consider your offer. You lower the barriers that prevent people from doing business with you. You give them a compelling reason to buy today without fear of looking bad tomorrow. By removing the risk to buyers through guarantees, your business will stand out. You'll make it easy and fun for people to buy from you and your profits will dramatically increase.

I understand that delivering any product or service is not risk free, but by stating and trumpeting your guarantee it will decrease the risk in your prospects mind and increase their trust and willingness to buy from you.

The Guarantee Myth Revealed!

Businesses shy away from making strong guarantees because they think that a large percentage of their customers will take them up on it. Studies have proven this belief to be false. At most, only about 1-2% of your customers will ever take you up on your guarantee.

Ask yourself the following questions:

- How many of my current customers have complained to me about my products or services in the past month?
- In the past year?
- How many of my customers have asked me for their money back or to replace a product or redo a service that we've provided?

You'll find that if your product or service is of acceptable quality (even mediocre quality), you should have few complaints, if any. (If you have a lot of complaints, that's okay. Now you know where to focus your efforts!)

The notion that your customers will take you up on your guarantee too often is a myth. It doesn't happen. Humans are generally non-confrontative and don't want to make a big issue of things (there can be a downside to that as well).

If your customers are mostly satisfied now, there's nothing to worry about. By offering a risk-free guarantee, you'll simply call more attention to the quality you already have in place.

Make the strongest promise you can comfortably live up to, and feature it prominently in all your marketing materials and don't worry about the myth that you'll lose your shirt redoing services or replacing products. It just doesn't happen.

The Invisible Guarantee

What's that you say...you don't have a guarantee? Wrong. 99% of all small businesses already have a guarantee – but they just don't know it nor do they publicize it.

Let me explain. If a customer called to complain that the work you did was unsatisfactory, what would you do to fix the problem? Would you tell them, "Sorry, we can't fix that for you." or "Sorry, let the buyer beware."? No, you would probably offer to redo the work or replace the product. You would do what it takes to make your customer happy.

You see, you probably already have a strong guarantee but you don't publicize it because you think that a bunch of your customers would come back and take you up on it (I'll talk more about that in a minute).

If you're already honoring an invisible guarantee you need to start publicizing it. It's a powerful hidden asset in your business that you're not exploiting.

-- Sidebar --

If you're not taking care of your customers, whether you have a guarantee or not, you should be. It just makes sense. Especially when you consider that according to one recent study, a satisfied customer tells one person about your company. But an unsatisfied customer tells NINE people. You need to put those numbers in your favor. You need to satisfy your customers and a guarantee makes it all possible.

-- End Sidebar --

Six Steps to Creating a Rock Solid Guarantee

Now, here's a step-by-step method for creating your guarantee and using it to supercharge your marketing efforts.

1. Look At Your Competitors.

Go through the Yellow Pages or the newspaper to search for other business' guarantees. Better yet, just have someone call and ask them about their guarantee. Look outside of your specific marketplace for good guarantees. Write them down. When you finish your research, what patterns do you see? Are there many guarantees in this industry? What kind did you find? Did you find guarantees of specific performance or the more common, dull-as-dishwater, "Satisfaction Guaranteed" variety?

2. Look At Your Strengths.

What area of your business is a strong point for you? Do you do very fast installations, are you great at maintenance, do you respond quickly to customer queries? Do your products or services produce consistently outstanding results? Do you have the widest selection in town? Do you save money for your customers?

3. Guarantee Results.

Think about what specific RESULTS a customer wants when he or she buys your products for services. What good things happen when customers use your products? Better relationships? More money? Reduced stress? Write down the answer in specific detail, and then guarantee that outcome. (Just make sure you can fulfill on your promise.)

A delivery company that works fast can guarantee delivery times -- by 10:00 a.m., or within 24 hours. Do you have the widest selection in town? Guarantee it by daring customers and competitors to find more products somewhere else (just be sure you can back this up). Do NOT simply guarantee "satisfaction." Guarantee in detail what that satisfaction will look like to your customer.

4. Choose A Payback (or Remedy).

As unlikely as it is that you'll be making good on your guarantee (remember -- only about 2% of customers will ever take you up on it), you want to create an attractive payback in case customers are unsatisfied. Ideally, it won't cost you much but will have a high perceived value.

A hassle-free, money-back guarantee is a good place to start. But try to dress it up a bit. Remember, a better-than-risk-free best guarantee is the best guarantee of all. Yours should exceed customer expectations and be memorable.

5. Start Small, Test And Track Your Results.

This is vital! You must know how well your guarantee is performing before you make it a permanent part of your marketing. How? You might advertise the guarantee in only one of the publications you advertise in, mention it on your telephone message, on one set of business cards, or in a letter that you send to a small segment of your customer base. Then, track the results.

How much have sales increased over your previous totals before you had a guarantee? Be sure to test at least two combinations of your guarantee to find the one that works best for you. You can guarantee results for 30 days in one test and 90 days in another (longer guarantees generally work better). You might even use a lifetime guarantee. Experiment!

6. Get The Word Out.

Once you've tested and found a guarantee that you're comfortable with, publicize it! Make your full guarantee -- in writing -- a part of your advertisements and marketing communications. Put it in your newspaper and Yellow Pages ads, your business cards, your Website, your letterhead, your brochures, etc.

Breaking Down Your “Soft” Guarantee

Breaking down your guarantee into specifics can turn a weak guarantee into something powerful that builds trust and reduces skepticism. This tactic works well not only for “hard” guarantees but especially for “soft” guarantees.

*** * Sidebar * ***

What are a “soft” guarantee and a “hard” guarantee? Hard guarantees provide a promise based on specific results. For instance, assume you have a flat tire and you get it fixed by a company that guarantees you that if your tire gets a puncture wound within the next 12 weeks you can bring it back and they'll fix it for free.

That's a hard guarantee because it makes a promise based on specific results. You should always try to use hard guarantees in your marketing message because they are more powerful and tend to stir people's emotions.

However, what if you have a product in which you can't make a promise for specific results but want you want to let your customers know that you still stand behind your product.

This calls for a soft guarantee. A soft guarantee makes promises based on generalities and not specifics. For instance, “We guarantee to be kind to you.” This is a soft guarantee because it’s very general and not specific. You should be kind anyway.

*** * End Sidebar * ***

A technique for turning your soft guarantee into a powerful statement is to break it down into pieces and explain what each part of your guarantee means. The following is a live example from a credit counseling company for which I just did some copywriting.

Allow me to give you an example from a recent copywriting project that I did for a credit counseling firm. This company didn’t want to make any hard, fast promises (unfortunately, that’s typical of most businesses). But they did want to express that they were willing to stand behind their product.

So what I did was take their general marketing statements and break them down into guarantees. Each guarantee taken separately is weak but when they are put together it makes for an impressive statement.

The “Broken Down Soft Guarantee” – A Live Example

We stand behind our promise to help you reach your financial goals. We don’t just talk the talk. We walk the walk. In fact, we’ll walk with you every step of the way.

Here at Acme, we not only stand behind our services but we tell you what it means by clearly spelling it out for you.

“We Stand Behind Our Promise”

Guarantee #1 - The “Pay Off Your Debt Faster” Guarantee

We have experienced counselors who help people like you every day to develop a comprehensive financial plan that results in paying off your debts faster than you ever could have on your own. In nearly every case, we’ll take years off your payment schedule allowing you to reach your financial goals sooner than expected.

Guarantee #2 - The “Be Courteous and Understanding of Your Situation” Guarantee

Our representatives are understanding and respectful of your situation and will talk with you on a human level. Many of our counselors were in the same position as you not long ago and so they intimately understand what you are going through and can empathize with your situation.

Guarantee #3 - The “Pay You Money Back” Guarantee

At Acme we have created an exclusive and unique incentive plan called the “Pay Off Your Debt” program. We promise that if you qualify for this program and make all your payments in full and on time for six months, you’ll received 50% of the “fair share” funds that we’ve collected on your behalf.

Guarantee #4 - The “Simplify Your Debt Payment Effort” Guarantee

We make bill paying ultra-simple. You’ll make only one simple payment to Acme and we’ll do all the dirty work of paying all your bills. We will stop all the creditor hassles, nagging phone calls, and bill collection letters by helping you consolidate your payments into one simple monthly payment.

Guarantee #5 - The “Provide 24/7 Access to Payment History Information” Guarantee

Our state-of-the-art telephone system allows you to access your payment information twenty-four hours a day, seven days a week. You’ll never be in the dark again about when your payments come in, when they go out, and any other payment information you need to know.

Notice that each one of the guarantees is general in nature. Individually, they are weak guarantees but put together they make a strong statement and in the credit counseling industry (where no one makes any promises) it has set them apart from their competitors.

Making Your Guarantee Your Unique Competitive Advantage

Companies that make their guarantee part of their Unique Selling Proposition have prospered. Have you seen the commercials for the Men’s Warehouse in which the CEO, George Zimmer says, “You’re gonna look good. I GUARANTEE it.” That one phrase has made the Men’s Warehouse the most successful men’s retail chain in the nation.

The ability to differentiate your business by the guarantee that you provide will set you apart from your competition because most companies don’t use their guarantee as a unique selling proposition.

This is especially true with service companies. For example, I know a small business tax consultant whose unique selling proposition is, “I GUARANTEE that I can save you 15% more money above and beyond what your current CPA or financial advisor is saving you today.” Now that’s a bold guarantee. It’s no wonder his practice is full.

Another associate of mine runs a small business marketing firm (much like mine) and his unique selling proposition is, "I GUARANTEE that with my help you'll double your business revenues and profits within 12 months or my services are free."

What I'm suggesting is that you make your guarantee a focal point in your marketing efforts. Your opportunity lies in how aggressively you're willing to tell the world about your guarantee. To the extent that you do, you'll enjoy a competitive advantage over all other companies in your industry. Your business courage will pay you tremendous long-term dividends.

Magic Words to Create Powerful Guarantees

How you word your guarantee can make all the difference in the world. Power words and phrases significantly boost your sales and response rates. Here are few strong words and phrase that will bring some zing to your guarantee:

- Take-It-To-The-Bank
- Better-Than-Risk-Free
- You Can't Lose
- Unconditional, Money-Back Guarantee
- Your Money Back, No Questions Asked
- I Personally Guarantee
- No Way That You Can Lose
- 30-Day Free Examination
- No-Questions, No-Quibbles, Money-Back Guarantee
- Iron-Clad Money-Back Guarantee
- 100% On-The-Spot Full Refund
- My 110% "Call me Crazy" GUARANTEE!
- Absolutely No Risk To You!
- 100%, No-Hassle Refund!
- My 110%, No-Fuss, No-Questions, "Take-It-or-Leave-It" PROMISE!
- No Pussyfooting Around And Get Every Single Penny Back GUARANTEE!

There's no better place to find some of the most powerful copy written guarantees than on the Internet. Here's a few that I think are heads and shoulders above the rest. Most are for information products so keep that in mind. As you read these notice that each guarantee has its own headlines. Your headline is 80% of your guarantee.

Sample Guarantee # 1 – Yanik Silver – Instant Sales Letters

100% Better-Than-Risk-Free-Take-it-To-The-Bank Guarantee:

I personally guarantee that if you make an honest effort to try just a few of these proven sales letters in your business, you'll produce at least 10 times your investment in profits within the next 60 days. That's right, 10 times extra profits you wouldn't have made if you didn't send out these sales letters. You've got 2 full months to prove to yourself these templates really do work. But if you aren't 100% satisfied, let me know and I'll issue you an immediate, no-hassle refund right on the spot. Plus, the free bonus gifts are yours to keep regardless, just for your trouble.

Sample Guarantee # 2 – Kirt Christensen – Buying Web Businesses

Here's My 125%, Walk Away, "No Hard Feelings," No Fuss, Full Money Back Guarantee!

I'm so convinced that you'll be absolutely delighted with your membership that I'm prepared to give you an iron-clad, 30-day, "Take-It-Or-Leave-It," totally outrageous GUARANTEE.

This "impossible-to-turn-it-down" guarantee is simple:

Try my Buying Web Business Power Mentoring System out for a full month, read through the entire site, download all of the bonuses, post questions on the private discussion board to your heart's content and use the step-by-step checklists.

If you don't pick up at least one good idea that can help you get every penny back in less than 30 days, simply cancel and owe us nothing. In other words, if you're not totally delighted with the techniques you've learned, drop me a line...

I'll refund your \$29, right there, on the spot!

Simply put, I'll gladly issue you a refund and we'll part as friends, no harm done. What could be fairer than that?

(Of course, on top of my "No Hard Feelings," 30-day money back guarantee, you can simply cancel your membership at any time. Billing will stop from that point on. No problem!)

Sample Guarantee # 3 – Ted Nicholas – How I Sold \$400M Worth of Products

30-Day Ironclad Money-Back Guarantee

Not to worry. You may order the book with no risk whatsoever. Review it for 30 days. If you are not delighted, upon request you will receive a prompt and courteous refund or credit.

Sample Guarantee # 4 – Jeff Gardner – The Ultimate Million Dollar Idea Generator

Stronger Than Steel No-Risk Money-Back Guarantee!

I'm so confident that my proven system will help you create mounds of exciting new product ideas, that I'm standing behind it 100% with this remarkable guarantee:

Get The Ultimate Million Dollar Idea Generator - and if you don't instantly believe it's worth 100 TIMES the amount you paid for it, let me know - and I'll refund every penny! No Questions, No Headaches, No Hassles! And you can keep all bonuses, worth \$196.75 - Absolutely FREE - as my gift for checking out my complete Million Dollar Idea System.

Sample Guarantee #5 – Alex Mandossian – Marketing With Postcards

“I’ll Absorb the Burden – Risk Free Guarantee”

I'll tell you what ... I'm willing to absorb your entire burden of risk, if you're willing to do what it takes to find out. So, here's my unconditional, 100% lifetime guarantee that makes your decision a no-brainer:

If, at any time, you're not completely satisfied with Market with Postcards™, I'll personally send a UPS driver to your front door, pick up the manual and CD-ROM, and refund your entire purchase price, including shipping charges! You can keep the \$650 in free bonuses as my gift to you, and we'll part as friends. Fair enough?

Sample Guarantee #6 – George McKenzie – Going Public: 10 Ways To Use The Mass Media For Free Advertising

You Can't Lose With Our 100%, Ironclad, Money Back Guarantee

Your satisfaction is assured through our no risk, you-can't-lose, 100%, no-questions-asked, iron-clad money back guarantee. If for any reason, you aren't thrilled and satisfied

with our product, just contact us (or send the product back) within one year and we'll refund 100% of your purchase price. No hard feelings, and you won't have to ask twice.

If you're a smart business person, you don't just hand over \$47 without a reasonable assurance that you're getting your money's worth. So how about this? Don't decide now if this product is for you. Just get it and try it out. If it doesn't do everything I say and more, if you don't save money, time and frustration, if it isn't life-changing, if it doesn't work for you, you have nothing to worry about because you can get every dime of your money back under our no-loopholes guarantee. So you have nothing to lose and everything to gain.

Sample Guarantee #7 – Lee Benson – Ezine Tactics

The Triple Your Money's Worth, String-Free Warranty

It's simple. If you're not absolutely, entirely and utterly thrilled with your purchase within one year from the date you bought it, you get a full refund plus you'll get to keep any of the material that you've already downloaded from our website.

All I ask is that you give it chance, for your own sake. Yes, these strategies do work. My advice will make you profit, I absolutely guarantee it... but only if you take action and follow the advice for your own inspiration.

If you don't make a return on your investment with my package, I don't want your money. Instead, you will get a full refund of 100% as well as the knowledge you've earned from the package and the free consultations giving you at least three times the worth of your investment.

Sample Guarantee #8 – Ken Evoy – Make Your Knowledge Sell

“You Will Gross At Least 1,000 Times Your Purchase Price Within Two Years, Or We'll Refund 10 Times What You Paid For MYKS!”

That's right -- 10 times your money back if you fully use the strategies of the MYKS! package over the next two years and you don't pull in at least 1,000 times your purchase price. There is only one single, simple, common-sense condition (that protects both of us)...

Make a full, honest effort over the two-year period. Use all the relevant techniques, tools, suppliers and devices in the Complete ToolKit, as appropriate.

Conclusion

Your guarantee can be one of your most powerful marketing tools. Unfortunately, the vast majority of businesses just don't want to place a strong guarantee on their product or service. They're too afraid of the perceived negative consequences. It's a pity.

Develop a guarantee today that stretches you to the limits and test it. If it doesn't work for you...fine. I "guarantee" that it will though and you'll start winning customers with ease.

Niche Marketing: Expand Your Customer Base By Narrowing Your Marketing Focus

I believe one of the most underutilized marketing weapons for small businesses is the power of niche marketing. Niche marketing is simply marketing to customer groups that fit the demographic and psychographic profile of your target market.

For instance, if you're a public relations specialist, instead of marketing your services to anybody and everybody, why not market your services to a specific industry that relies heavily on public relations such as the not-for profit industry.

You could get even more specific and specialized by offering your services to only not-for-profit religious organizations. Although this narrows your market significantly, it will open up doors you never knew existed.

Benefits of Niche Marketing

Why would anyone want to narrow down the amount of people to which they market? It almost seems counterintuitive. Just think of all the opportunities a business would be missing by not marketing to the masses.

The truth is that when you narrow whom you market to, three magical things happen.

1. Your Product or Service Becomes More Desirable

You start to create a set of tailored products that work very well specifically for your niche. People want to buy stuff that's made just for them...that solves their unique problems. Would you rather buy a mass produced suit or would you rather buy a suit made-to-fit just for you?

2. Your Name and Brand Spreads Rapidly

People in groups talk! Lawyers talk to other lawyers. Gas station owners talk to gas station owners. Pool builders talk to pool builders. If you're good and you provide products and services for a specific niche, your name will travel fast.

3. It Becomes Easier and Less Expensive to Prospect

If you pick the right niche, it becomes very easy to contact your prospects. Most good niches have a list of people who are either members of a group in your niche or people who have purchased things associated with your niche. Instead of spending money on

what I call “spraying and praying” marketing, you can now spend your money on getting your message to just the right people in your niche who want to hear your message.

4. You’ll Face Less Competition In A Niche

The mere fact that you have narrowed your marketing focus to a smaller subset of people means that there will be less competition with which you’ll have contend. In fact, if you hurry and become the dominant player in your niche it will deter competitors from entering in and competing with you directly. Less competition results in more business with less effort.

Type of Niches

Basically there are four general types of niches, occupations, demographics, geographics, and psychographics (or “subcultures”). Let’s explore the difference between each type of niche.

1. Occupations

An occupational niche is one that is made up of people that are gainfully employed in the same occupation. Examples of this would be fireman, carpet cleaners, purchasing managers, military people, or human resource managers.

The assumption is that people who are in the same occupation worry about the same things and are forced to tackle similar problems. This makes them good candidates for products and services that are created to solve the specific problems of that particular occupation.

For instance, a carpet layer probably deals with lower back problems. Customer service representatives usually deal with high stress. Garbage collectors have to deal with low wages. Navy people usually deal with long family separations. A homemaker often tackles problems related to children. Each occupation has its own peculiar problems that come as a result of being in that specific job.

2. Demographics

A demographic niche consists of people who share one or more of the same characteristics such as weight, height, ethnic origin, income, gender, etc. It would stand to reason that overweight people deal with the same problems associated with obesity, while Latin Americans may have to deal with problems that come from living in a low income neighborhood.

Note: Please don’t get offended with this statement. Statistically speaking, a large majority of Latinos live in low income neighborhoods. These are the types of things that good marketers consider on a daily basis. (Hey, my mother was born and raised in Chihuahua, Mexico y por eso puedo hablar el espanol con fluidez.)

3. Geographics

Geographics is a very simple niche. People who live in the same (1) neighborhood, (2) subdivision, (3) school district, (4) voting precinct, (5) suburb, (6) apartment complex, (7) city, (8) metropolitan area, (9) county, (10) state, (11) region, (12) country etc. often share the same problems associated with living in that area.

For instance, people who live in North Dakota deal with cold weather and snow in the wintertime while people who live in Houston deal with excessive humidity in the summertime. People who live in Los Angeles have to deal with smog, while people who live in the Heritage Park subdivision here in Friendswood, Texas don't have access to a good local dry cleaners.

4. Psychographics (or subcultures)

Psychographics is the study of how people think and what they like. People with similar psychographic profiles often share the same passions, hobbies, and even dislikes. This is probably the biggest and perhaps the most lucrative of all the niche categories because people spend a large majority of their discretionary income on items that they are passionate about.

Another name for this category is subcultures. Examples of subcultures are people who...

- Hate Bill Clinton
- Love Marilyn Manson
- Hate paying taxes
- Love toy poodles
- Hate abortion
- Love new marketing ideas
- Hate website popups
- Love Harley Davidsons
- Hate foreign cars
- Love guns
- Hate companies cutting down forest trees
- Love having sex
- Hate pornography

Okay, you get the idea. Each of the people in these “Love – Hate” categories will spend money to either get what they love or spend money to avoid what they hate. Other subcultures could be people who belong to a certain religion or are a member of specific political party.

Don’t get hung up on the type of niche you want to go after. Just make sure that you go after a niche. To give you a better feel of how niche markets can be separated, here are a few more examples of various niches:

- People who are between the ages of 40 and 55 who have incomes over \$55,000
- Doctors
- People who own homes that have an appraised value of \$155,000 or higher
- Lawyers
- Accountants
- People who own a Lexus, Acura RL, Toyota Landrover, Lincoln Navigator, Mercedes Benz S Class, or a BMW.
- Members of the American Association of Retired People (AARP)
- People who just purchased a \$500 plus mail order product.
- People who own boats and yachts
- American Express platinum cardholders
- Back and neck pain sufferers
- Arthritis sufferers
- Sleep disorder sufferers
- Diabetes sufferers

Niches can be divided up any way that makes sense. It can be by occupation, income, car or house ownership and a host of other demographics, geographics, or psychographics.

How to Select the Right Niche

I often get questions from small business owners that have decided to market to a niche, but don’t know what niche to market to. This is an important decision that must be researched carefully. There’s nothing worse than spending your dollars on creating custom products and services only to find that your niche doesn’t want to buy them.

The following are several questions that you should ask yourself when choosing a niche in which to specialize:

Question # 1 – Can you easily and affordably contact the niche?

Imagine how hard it would be to find people who are going to have car accidents within the next week. Yes, you read that correctly. That's exactly what auto accident paint and body shops deal with on a daily basis.

Their niche, people with banged up cars, is impossible to contact in advance. They have to market to everybody. These types of companies are forced to spend a lot of money on yellow page ads (where people go in times of emergencies) and "spraying and praying" ads.

Let me give you some further examples of varying levels of difficulty in finding people in niches.

- A. Policemen – Simple to contact. There's probably an association list that you can rent or buy.
- B. Bird owners – Semi-simple to contact. There's probably a trade publication or catalog for bird owners that rent their customer list.
- C. Parents whose children are doing poorly in school – Harder to contact. You might find a list of parents who have purchased products or services to help their children do better in school.
- D. Acne sufferers – Harder to contact. You might find a list of people who have purchased anti-acne products or services.
- E. People who hate war – Difficult to contact. You won't find many anti-war lists. You would probably have to create a list through your own lead generation efforts.
- F. Print Shop Owners – Simple to contact – The names and addresses for print shop owners can be found in your local yellow pages or an association list.

When a niche is hard to contact, it is usually expensive to contact. If a list doesn't already exist you'll have to pay to develop the list, which can be very expensive.

IMPORTANT TIP # 1 - Personally, I would think hard before choosing a niche that doesn't have an association, a trade publication(s), or hold conferences. These are the primary tools for contacting your prospects and fueling your word-of-mouth efforts.

IMPORTANT TIP # 2 - If the product or service you are offering has a high price tag and a large margin, you'll be able to spend more money to generate the lead. For instance, if you were looking for people with breast implants for a class action lawsuit settlement, you would probably be able to spend a lot of money advertising to find these people.

In general, the cost to acquire a customer must be lower than the lifetime value of a customer. However, in some instances it can be higher than your product or service cost

(i.e. lose money to obtain a customer) if you have a lot of backend products or your product is a consumable that requires reorders.

Question # 2 – Can the niche afford your products and services?

Is the niche that you're marketing to affluent enough to buy your product or service without having to worry too much about overspending? I once tried to sell a product to college students for over a year in vain. A lot of money was wasted, with nothing to show for it.

My mistake was marketing to the wrong people. Students don't have a lot of discretionary money to spend so they are careful to spend it only on things that they deem absolutely necessary, such as dating, school books and tuition, and partying (unfortunately).

Question # 3 – Is there a successful track record of selling these types of products or services to the niche?

A big mistake that inventors make is to create products that require that people change their normal habits and routines. There is a genius inventor here in Houston that has created a unique keypad that makes typing much easier (it requires only one hand rather than two).

It really is an ingenious product, but he is floundering. Why? Because people are used to regular old keyboards and don't want to go through the pain of learning something new, no matter how easy it is. To be successful, you should pick a niche that is already buying products and services similar to yours and that are paying the prices that you want to charge.

To be honest, this advice goes against traditional thinking. Most marketing experts will tell you to find a niche and fill it, meaning to find a niche market with a problem that isn't being solved. I agree with that thinking; however, there's an old saying in marketing that "Scouts come back with arrows in their backs."

By that I mean, if you're trying to sell a new product to a niche that doesn't have a track record of buying those products or services, you might find that they are just not ready to buy it. Take the fax machine. It's used in almost every office in America and many homes as well. But when it was introduced, it floundered for many years because people just weren't ready to buy it.

The safest way to penetrate a market is to find one that already understands the need for what you sell. Then all you have to do is build a better mousetrap and sell it to them (or license it to a competitor).

Question # 4 – How much competition is there in the niche?

It's better to jump up and down in a pond than an ocean. The more competitors you have to deal with, the more aggressive your marketing efforts must become to be the winner.

Now this might sound contradictory to the answer in "Question # 3," in that I told you that you should sell to a niche that already buys your type of product or service and now I'm telling you to go where there is little competition.

However, hopefully your product or service is different or unique enough that you don't have any direct competition. Even if you're marketing in a niche that already sells the same type of product or service you do.

Question # 5 – Are you familiar with the niche or do you have experience in the niche?

People like to buy from people that have "been there and done that" and have walked in their shoes. They like to buy from "one of us." If you have experience as a practitioner in the niche you'll have an advantage selling to the niche.

For instance, if you were selling doughnut machinery to doughnut shops people will automatically have an affinity towards you because they know that you've faced the same problems as they are facing.

In addition, the more you know about your niche customer and what keeps them up at night, the easier it will be for you to provide tailored solutions to solve their problems and to communicate with them about your solution.

Question # 6 – Is the niche big enough to sustain your business?

Why enter a niche that simply doesn't have the economics to sustain your business over the long term. One of the first calculations you should do when deciding on a niche is a breakeven "reasonableness" assessment. This assessment tells you how much of the market you have to penetrate just to breakeven in the first year.

If you have to penetrate a high percentage of the market just to breakeven you might want to reconsider entering into this niche. However, if you can enter the market with only a sliver of penetration then it may be a good market to consider.

For instance, compare the two following scenarios for reasonableness:

Scenario 1 – Selling CD business cards to the real estate agent market

Approximate number of eligible realtors in the U.S. = 840,000

Number of units needed to sell to breakeven in the first year = 150

Required market penetration percentage = .01% (150 / 840,000)

Number of Competitors = 9

Scenario 2 – Selling accounting and bookkeeping services to small businesses in Friendswood, Texas

Approximate number of eligible buying units in Friendswood = 350

Number of units needed to sell to breakeven in the first year = 42

Required market penetration percentage = 12% (42 / 350)

Number of competitors = 15

Which scenario is more attractive? In Scenario 1 you would only have to penetrate .01% of the market to breakeven and you only have nine competitors. In Scenario 2 you would have to penetrate 12% of the market in your first year while competing against 15 other CPA's. Clearly Scenario 1 is the better choice (assuming you have a great product that people want).

However, there are many other factors that go into choosing a niche. This is just one factor (albeit an important one) to consider.

The Five-Step Method for Marketing to a Niche

Niche marketing can be surprisingly easy. In the following section I've outlined a five-step method for marketing to a niche.

Step One - Identifying and Targeting Your Niche

The first step in niche marketing is to understand who the buyers are in your niche and what makes them tick. Here are some questions you might ask to get to know them a bit better.

- What problems or worries keep them up at night?
- What are their habits?
- What magazines do they read?
- How do they get their continuing education?
- What clubs or associations do they belong to?
- What are their occupations?
- How old are they?
- What television shows do they watch?
- Do they already buy products or services similar to yours? (What are they?)
- What is their annual income?
- Where do they live?

How do you get this information? If they belong to an association, chances are, there will already be a lot of information assembled about the market. If not, do a survey with several people in the niche. Ask them these questions.

What If You Already Own a Business?

If you already own a business and want to start selling to niches review your customer list from the last two years with your employees and ask each of these questions about each customer. Write down what you know about each of them. You'll be surprised how much you remember and the amount of information you come up with.

If you have done a good job of reviewing your customers you may possibly start to see a trend. If a lot of your customers have been doctors then pull those names out and develop a list of all the doctors that have purchased from you. Do this with all your identifiable trends (especially occupations).

From the lists that you have made, you can tell with some certainty that they are the kind of people that have demonstrated a propensity to buy from you. This will give you some confidence that if you find like-type people they will be good candidates to purchase your product or service.

Step Two - Finding Your Niche Market

Finding your niche market can be the most difficult step in your niche marketing strategy. That's why it's important to choose a niche that you can easily contact. All expert direct marketers will tell you that your mailing list is the most important part of your entire direct marketing campaign (let alone your business). If you can't easily and affordably contact a niche market, you shouldn't be marketing to it.

The key to finding the people in your niche market is to think about who else markets to the same niche and look to them to help you compile your list. It is very possible that they will rent their list to you or you could offer them a commission from every product or service that you sell as a result of using their list.

An Example of Finding Doctors

Suppose that you wanted to market to doctors in your city. You could just go to the yellow pages, but sending a letter or offer to their place of business may not get a very high response rate because it will usually go through an assistant who will screen out all non-business type mail.

Here are some ideas to get access to their home addresses:

- Get an **electronic copy of the yellow pages**. These are sold in stores like CompUSA. Get the names of the doctors from the yellow pages and look them up in the white pages. You may be able to match their names and legal titles

(example, Dr. John Davis or John Davis M.D.). This will be time consuming so you may want to get a high school student to help you.

- Go to the **Oxbridge Directory of Publications**. This reference manual contains demographics information on over 20,000 magazines and newsletters. You'll be able to find publications that reach specific markets, which have the characteristics you want. For example, you might discover a magazine like "Physician's Lifestyle", a bi-monthly publication that reaches every single medical doctor in the country.
- Go to your local library and browse through the **Standard Rate and Data Service (SRDS)** list directory. In it you'll find just about every mailing list known to man. It is an invaluable tool for your niche marketing efforts. You will find lists of doctors that have purchased recently through direct mail.
- Contact the **organizations and associations** that doctors belong to such as the American Medical Association or your state medical association. If the associations won't rent you a list then ask if you can get a list of magazines, journals and publications that cater to the medical community. Magazines are very good sources for renting lists.
- Go to **MediaFinder.com** and search for media such as newsletters, magazines, journal, periodicals and other media that are targeted toward the medical community and doctors specifically. A couple of references I found at MediaFinder.com were the APPA Digest, which is the publication for the association on financial planning for doctors. Another media was the Allergy Hotline Newsletter, which is a newsletter for doctors and other medical professionals that treat allergies.
- You can also work through local **mailing list brokers** or better known brokers such as www.BestMailing.com or www.MailersSoftware.com, which have lists of all kinds of doctors that live across the country. One list I looked at was for the state of Texas, which included 30,091 medical doctors. A list broker can help you find the type of list for which you are searching. However, list brokers usually make their money off of large mailing lists and may be less helpful but they might steer you in the right direction. They eat, sleep, and drink mailing lists.
 - NOTE: Every one should have a good list broker. My personal list broker is Gil Terriberry and his company is Direct Contact Marketing Group and he can be reached at 877-262-8105 or you can email him at dcmg@dcmg.com.

What If You Can't Find a List?

If you can't find a list of your target market then you'll have to do lead generation to build your list. This process can be expensive and time consuming but once you have the list, its yours to keep (rather than renting lists).

Lead generation usually starts with placing advertisements in other media (i.e. newspapers, Internet, magazines, newsletters etc.) that target the interests of your niche. The advertisements should entice readers to call up and ask for something free (or very low cost). This allows you to get their contact information and build your list.

For example, if you were a sauna dealer targeting people with heart disease (saunas are known to improve blood flow to the heart) sufferers you might write up a news article about recent studies that have found that saunas to help reduce the risk of heart disease. At the end of the article you might offer a free report about how saunas improve your health that the reader can get by calling a phone number. Below is an example of what that ad might look like.

“The Japanese Secret for Decreasing Heart Disease”

Researchers in Japan have found that taking hot saunas help reduce thickening of blood vessel walls cutting heart-disease risk. Researchers assigned 25 men with at least one risk factor for heart disease, such as high blood cholesterol, diabetes or a smoking habit to 15-minute stints in a 140-degree sauna every day for two weeks. For half an hour after each episode, the men rested in bed, covered by blankets. They also had the thickness of their artery linings monitored by ultrasound.

Just two weeks of daily sauna treatments reduced thickening of the endothelium – the inner lining of the blood vessels – by 40 percent! Thinner blood-vessel walls means less chance of developing blockages, which raise the risk of heart disease.

The results suggest that sitting in a sauna “is probably reasonable for people at increased risk or for folks with mild heart disease,” says Robert Vogel, director of clinical vascular biology at the University of Maryland School of Medicine in Baltimore.

The results of this research is a breakthrough for people suffering from mild forms of heart-disease.

Today saunas can be found at local health clubs and day spas. However, there is a growing number of men and women who are investing in personal saunas that can be installed in their homes.

“The people who purchase our private saunas want the benefits that sauna bathing offers in the privacy of their own homes.” Says Paul Frey, sales manager at Backyards of America.

Sales of private home saunas have soared in the last two years to over \$250 million dollars and it continues to increase. Many Americans are discovering the benefits of private saunas. Frey comments, “People come to us to buy home saunas from all over the state because that’s what we specialize in. We know more about saunas than anyone.”

For more information about how saunas can benefit you call our pre-recorded message line at **801-345-9982** to get your free report titled, **“How to Improve Your Health with Saunas.”**

To find out more about lead generation, read the chapter 22 titled, “Lead Generation: How to Flood Your Small Business With Hot Qualified Prospects.”

Step Three – Collect Testimonials From Your Niche

After you have identified your niche market and developed a list of niche prospects it’s time to start assembling the marketing campaign. The first step in this process is to

gather testimonials. Dan Kennedy, a successful marketer has said, “If you don’t have testimonials, you don’t have a product.”

Testimonials from your niche market will make your marketing much easier. There are few things more persuasive than sending a message to a doctor that has five doctors attesting to the benefits of owning your product or service and how it has helped them in their profession.

This is a marketing secret. People like to hear about and do what people just like them are doing. For instance, if a doctor sees that another doctor purchased a hot tub and has found that it helps her to relax and get rid of all the stress that being a doctor brings, it will immediately peak his interest. It is a natural human instinct.

This is why television producers play recordings of laughter when a punch line is said during a sitcom. Because they know that it will make the live audience laugh, even if the punch line wasn’t funny. And the people in the audience know that it’s just a recording but it doesn’t stop them from laughing even louder when the recorded laughter is turned up. It’s a natural instinct to do what others are doing.

If they are doctors then you might consider writing them a letter asking them for their testimonials. Refer to chapter 20, “Using Customer Testimonials in Your Marketing Message to Break Down Fear and Skepticism.” This section will give you a lot of ideas about how to get testimonials from your customers.

Step Four – Creating Niche Marketing Tools

Once you decide to market to a niche you will need marketing communication and creative designed specifically to capture the attention of that niche. This is where your upfront research will come in handy.

You should by now know your niche market’s hot buttons. What they like and don’t like. What their problems and frustrations are. What language and words they use in conversation. This information is necessary to be able to develop your niche marketing tools.

The following is a list of the type of niche marketing communication and creative tools that you might need to effectively market to a niche.

- Appointment generating letters that use tricks and tactics designed to be used with a follow up phone call.
- Salesletters, postcards, and grabbers that can be used to generate leads or “sell off the page” to existing lists of potential prospects. These should include a time-sensitive offer and a clear call-to-action. You should also consider creating a series of “linked” salesletters that can be sent out in a timed, sequential follow-up marketing program.

- Print advertisements that you can use to generate leads in newspapers, magazines, yellow pages, newsletters, classified ads etc.
- A toll-free hotline with scripts you can use for lead generation and also for providing consumer awareness messages, product and service descriptions, testimonials from customers etc.
- Joint venture endorsement letters that you can use with businesses that market to your same niche that offer complimentary products or services. You should create one for you and one on behalf of your joint venture partner.
- Free reports (or white papers) for lead generation purposes that consist of relevant, useful information that your target niche would find interesting and that has something to do with your product or service. You should create a report in booklet format, but also in audiocassette, CDROM, and video formats as well.
- Press releases that do lead generation, promote events, generate awareness, and get interviews from the media.
- A series of how-to articles that position you as an expert in your niche that you can submit to niche specific trade magazines, newspapers, and newsletters. You can also post these on your website and email them to prospects before meeting.
- A newsletter, whether it is online or offline, you should seek to build a list using a regularly sent newsletter.
- A website that is designed to generate leads, build credibility, and sell your products and services. (A website is a must!) Your website should include a series of Autoresponder messages that are sent to prospects who visit your website.
- Brochures and fact sheets that you can include in your mail outs and that you can give to walk-ins.
- A “Question and Answer” fact sheet that addresses the most common objections about your product or service. This should not only be inserted into mail outs but also used on your website.
- A Powerpoint presentation that you may use in sales meetings with your clients. You can use this as a “talking document” or a more formal presentation that you would give with an overhead projector (usually used in B-to-B industries).
- Case studies and success stories from clients and customers. (This will be a part of the testimonial gathering process.)
- Customized thank you letters/cards that are sent out to prospects and customers in response to a customer transaction (both positive or negative).

Creating an Audiocassette or Video

I often get inquiries about how to create audiocassettes, special reports, or videos to be used in your lead generation and conversion efforts. Let me show you how to do this easily by giving you an example. Since we’ve been talking about doctors and hot tubs, let’s stay with that example.

If you are targeting doctors you might create an audiocassette that they can listen to on their way to work titled, “The Ultimate Stress Reducer for Busy Doctors.” If I was a busy doctor (most of them are) I would be very interested if I received an audiocassette in the mail with this title. At least I would listen to it.

The following would be the outline for this audiocassette:

- I. Introduction
 - A. Question – Do you experience stress?
 - B. Signs of stress
- II. Effects of stress on doctors
 - A. In the workplace
 - B. In their personal lives
- III. Many Doctors are turning to relaxation hydrotherapy using spas
 - A. What is hydrotherapy?
 - B. How does hydrotherapy reduce stress?
 - C. What other doctors are saying about hydrotherapy and owning a spa?
- IV. What are the other benefits of owning a spa?
 - A. Relaxation after a hard day
 - B. More quality time with loved one
 - C. Better sleep
- V. Introduce Spa City USA (short in duration)
 - A. Spa City USA specializes in providing spas to doctors
 - B. Spa City USA has provided more doctors a spa than any other dealer
 - C. Why do doctors choose Spa City USA to buy a spa
- VI. Where can you get more information
 - A. Offer a free video, “The Spa Lifestyle” by calling XXX-XXXX or...
 - B. Going to website and entering in special code
 - C. Thank you for listening

This information can be said in 30 minutes or even less (30 minutes is a long time on tape). There are several ways to create this tape. You can certainly do it yourself or you can hire a freelance writer to write your script. The best (and easiest) place to hire a freelance writer is at www.elance.com. At eLance you can put your project out for bid and have freelancers bid on it.

You might think this is a lot of work but once you have it completed, its done! You can use it over and over and over again as many times as you want. It can also be used as a model for lawyers, business executives, CPA’s and other prospects that fit in your niche.

With a few modifications you can have a version ready to go for other niches. Once you have your information products done you can really put your niche marketing program into high gear.

Step Five – Contact Your Niche Market

The next step is to reach out and touch your niche. This is a two-pronged approach. Prong # 1 has the objective of getting noticed in your industry and Prong # 2 has the objective of selling your products and services.

Prong # 1 - The following are just a few ideas you can implement to get noticed in your niche.

1. Speak at industry conferences and trade shows (or you local Chamber of Commerce). This is an excellent method of getting your name out there because most every one in the industry reads the presentation agendas and who is speaking.
2. Write articles for your industry's trade publications. Most trade pubs are thirsty for good content and will allow you to include a resource box at the end of your article. (Here's a trick. Identify the top decision makers and trend setters in the niche and interview them for your article. You will get to know them and establish a positive relationship. in an unassuming way.)
3. Start an ezine in your niche and begin collecting email addresses of prospects in your niche. (This is a must!)
4. Offer a white paper (B-to-B) or special reports to your niche market. This will build credibility and will give you permission to do follow-up mailers and direct marketing to those who respond.
5. Join and become active in the niche's associations and networking groups. Volunteer to serve on action committees and boards.
6. Make contact with other industry authorities, consultants, and big wigs who might be able to give you referrals.

Prong # 2 - The following are some ideas to get you started selling to your niche.

1. Send a lead generation postcard offering a free information product. Then put your respondents on a follow-up marketing plan.
2. Send offers in your newsletter. You might even consider renting an email list to get people to sign up for a free report just to get them on your newsletter list.
3. Advertise in your niche's trade publications and newsletters.
4. Do a joint venture endorsed mailing with other vendors that will recommend your product or services as you recommend theirs.

5. Sponsor a booth at your niche industry's trade show. This is the fastest way to gain exposure to your niche...especially if you're in a B-to-B market.
6. Send newsletter inserts lead generators to zip codes matching your target demographic.
7. Rent a list through a list broker and send a lead generation letter to your niche market (try to get your people to respond to something for free in your first mailing so that you can build your own list and stop renting names from lists).

No doubt this list could go on and on. There are a myriad of ways to contact your target market; however, I have found nothing better than to send a lead generation letter to prospects and get them to respond for a free special report. Then start sending out follow-up marketing pieces to convert prospects.

Some products and services need to be sold in person so your objective would be to get an appointment with a decision maker. This would require an appointment generation letter or postcard.

Step Six – Communicate Often with Your Niche

Statistics have shown that a prospect usually has to be exposed your offer five to six times before they act on it so if you're consistent you will make an impression. You should provide consistent communication with your niche by contacting at least once a month.

Here are few ways to consider for your follow-up marketing plan:

1. Online Newsletter – Online newsletters are excellent because they arrive immediately, are inexpensive to send, and cost little to produce.
2. Offline Newsletter – Offline newsletters are a bit more expensive to send but people like to hold things in their hands when they read. They also lay around and get residual exposure.
3. Periodic Teleconferences – With today's technology you can hold teleconference calls using bridge lines very inexpensively. This also provides a forum to physically speak with your target market.
4. Postcards – Postcards are a simple, inexpensive way to contact your customer. You can even do a one-page newsletter on a postcard. It's simple and fast.
5. Get your own column in a trade publication – Approach trade pubs with a series of articles that provide great information that they can run in their magazine or newsletter for free. They might even give you your own article.

Again, there are a number of ways to communicate with your niche. The key is to do it in a way that is fast, inexpensive, and effective.

Step Seven – Don’t Stop at One Niche!

Once you have your niche marketing process down don’t stop at one niche. Apply what you have learned from dominating one niche to other niches. The marginal cost of developing the processes and materials for another niche is negligible.

All you have to do is tweak your product for other niches. Then give your product or service away (or for a huge discount) in exchange for testimonials. Then start tweaking your marketing materials for your new niche.

I know of a person who created a book with tips and techniques for saving on taxes. He sold it for around \$50. He then tweaked it slightly for real estate agents and sold the book to that industry for \$150. He did this again and again to dozens of small business industries for huge profits.

Just think of the “Chicken Soup for the Soul” series. That has got to be the ultimate “cross-niched” product. There’s a “Chicken Soup for the _____ Soul” for just about everything and everybody. Ingenious!

There is a whole wide world of niches out there to dominate. If you just think of the different occupations that are part of your overall target market, your list may be very long. Be a niche marketer and dominate your market place.

Using Consumer Research To Develop Powerful Small Business Marketing Strategies

All profitable marketing strategies are based on a complete and thorough knowledge of the customer. There's no doubt that I have seen my share of products that sell like crazy from companies that don't know a lick about their customers and have no marketing plan at all. Successful small businesses know their customer extremely well.

Knowing Your Customer

How does knowing your customer help you sell more products and services? Having consumer research information allows you to tailor your marketing tactics to meet the needs and wants of your target customers. For example, suppose you knew that your target customer was a 55-year-old making over \$70k a year who had back problems.

You could create a direct mail campaign to people who live in zip codes with average income over \$70k, who have had back pain medical treatment, and who were over 55 years old. Pretty simple, right? Well, it IS that simple and, yes, there are mailings lists that will give you that information. Now, there won't be many people on the mailing list, but at least you are zeroing in on your target market and not wasting ad dollars.

This type of information can help you in a myriad of ways when planning your marketing campaigns with radio, website advertising, periodical advertising, postcard direct mail campaigns, and so on.

Where to Get Consumer Research Statistics For Your Small Business

Your primary resource for acquiring consumer research for your small business will most likely come from your industry's trade association. If they are doing their job right, they should have some type of consumer and business research statistics that they generate on an annual basis about your specific industry.

This research may contain information about consumer preferences, purchasing criteria, level of satisfaction, and other useful data upon which to base your marketing strategies. Contact the association or organization that serves your small business industry and ask them for access to their research statistics.

You may be able to find your association at www.associationcentral.com. You may also be able to locate valuable research statistics from suppliers that serve your industry. Call

a few of your suppliers that provide direct goods and ask them if they have any such research and if you can have access to the findings. It always helps if you're a current customer.

Using Consumer Research to Increase Sales

Consumer research is an often-ignored marketing tool that is rarely used by small businesses. The reason it's usually ignored is small businesses don't know how to use it. Many owners will see a statistic and log it into the back of their brains but never use that statistic to their advantage. The pot of gold is not necessarily in having the consumer research, but knowing HOW to use it to sell more products and services.

Let's take a look at some consumer research in the spa and pool industry and try to develop some marketing tactics that would take advantage of our knowledge to sell more units. The following statistics that I will quote are available from the National Spa and Pool Institute by calling (703) 838-0083, ext 153.

I highly recommend that every small business contact their own industry association to get a copy of their own industry's statistics, as you will soon see how valuable they can be to you and your business.

Developing Marketing Strategies Based on Consumer Research

Statistic #1: According to ICI Acrylics, the profile for an average spa consumer is a person who is married with an above-average income, with most earning between \$40k to \$75K. Most do not have children under 18 living at home, and most have lived in their home an average of seven years. The male member of the household comes up with the idea to get a spa or pool and initiates the buying process.

Marketing Strategy: Knowing this information, you might plan a direct mail campaign to zip codes where the average income is around \$60k and to married couples with empty nests who have been at the same address for five years or more. You would address the letter to the male member of the home, by name if possible. You might perform a test mail campaign in several zip codes and measure response rates before launching a full-scale campaign.

Statistic #2: Two-thirds of all new spa owners say they have friends who own spas, and 90% of current spa owners would recommend one to a friend.

Marketing Strategy: You might consider launching a strong referral program with your current customers, since two-thirds of the people who have purchased a spa know other people who already own one. This statistic tells you that the spa and pool industry has a tight demographic audience that has similar tastes and spending habits.

Additionally, it is uncommon for 90% of a customer group to recommend a product so strongly. This indicates a very high level of customer satisfaction. This makes it ripe for a referral program, as compared to an industry that has customers in a very wide range of demographics, which makes for a poor referral program.

Statistic #3: The top three reasons that non-owners didn't plan to purchase a spa were (1) 27% never gave it much thought, (2) 13% thought it was a poor investment, and (3) 12% preferred a different recreational item over a spa. Consumers would rather do exterior renovation, add a room, buy new appliances, or buy new furniture instead.

Marketing Strategy: First of all, the fact that 27% of the people never even considered buying a spa means that manufacturers have not been doing their marketing jobs. It is the manufacturers' job to provide mass marketing support for their brand. You should ask for co-op dollars from your manufacturer using this statistic as a basis for your argument.

Secondly, you might partner with home improvement stores and furniture stores to do some joint promotions. Perhaps these may be good places to display some of your spas (if they don't carry a line themselves) or leave some Special Reports and give the stores a commission for generating leads.

Statistic #4: Consumers get the same warm feelings from activities such as (1) riding in a convertible car with the top down, (2) riding on a Harley Davidson motorcycle, (3) using a warm electric blanket, (4) dinner by candlelight, (5) sitting in front of a fire in the hearth, drinking wine and listening to music, and (6) getting a massage.

Marketing Strategy: Businesses that provide these experiences have customer lists too and would make excellent joint venture partners for doing endorsement offerings. By endorsement offerings, I mean that you could talk to the owner of the local Harley Davidson store and ask him if he would be interested in doing a direct mailer to his customers endorsing your spas and store. You could also do a direct mailer to your customers endorsing Harley Davidsons and his store. You could do the same for expensive restaurants and massage clinics in the same zip codes as your customers.

Statistic #5: 65% of all spa owners said that they thought spas were a great way to relax, and 23% mentioned that they received medical or therapeutic benefits. 24% of spa owners said that their spas were difficult to clean and maintain and 6% said that they didn't think the chemicals were safe.

Marketing Strategy: If 65% of spa owners said they like the relaxation they received most from their spa then that needs to be a key marketing message to your customers. As a matter of fact you should contact your customers and get testimonials that reinforce that fact and the therapeutic benefits they receive.

In your marketing messages you should also try to portray a man getting home from work exhausted and jumping into his soothing spa to relax after his high-stress job. Remember, it's the man of the house who comes up with the idea to get a spa.

You might also craft a message, and probably even a script that your sales people would have to memorize, to counteract the objections that may arise as a result of spas being hard to maintain.

Statistic #6: Statistics say that there are more skeptics than believers when it comes to spas. Over 51% aren't convinced a spa could benefit their lives. The statistics also revealed that those skeptics tend to be older.

Marketing Strategy: The only way to overcome skepticism is to educate your consumer. Consider developing Special Reports that talk to and prove the fact that spas not only will improve your health, but your happiness too. Include lots of testimonials from older people attesting to that fact to provide social proof.

You might also dig up some statistics of older people whose health has improved as a result of spa hydrotherapy. You might be able to find this information with associations for the physical therapist industry and the medical industry in general.

Statistic # 7: Forty-five percent of potential spa buyers used the Internet to gather information about spa products and services before they purchased. This statistic was drawn from a 1998 study so it most assuredly is higher now.

Marketing Strategy: If you know that potentially half of your customers went to the Internet to get information before they ever walked into your store, you should, first of all, make sure you have a website, and second, make sure you have a lot of consumer information on it that your prospect will find interesting. You might also consider giving away your hottest free reports (but only after your prospect gave you their email address).

Statistic # 8: Consumers' top three rational reasons for purchasing a spa were relaxation, therapeutic benefits, and year-round pleasure. The top three emotional reasons were conversations, relationships with loved ones, and the desire to unwind and regroup their thoughts.

Marketing Strategy: Of all the statistics in this study, this is perhaps the most important, because it helps you understand why your customers purchase spas. After all, consumers purchase as a result of their emotional responses. They react to primary obvious benefits, and they also react to hidden emotional benefits.

With the information you gleaned from this statistic, you should consider writing a press release with the headline, "Rescue Your Marriage Using This Little Known Secret." The article could go on to talk about how marriages are breaking up right and left and the number one reason from a woman's point of view is lack of conversation. Then you could talk about how little husband and wives communicate.

Consider finishing the article telling the readers how regular spa users have quintupled the amount of conversation in their marriage, and that purchasing a spa has dramatically improved their relationships and literally saved their marriage in some cases.

Lastly, you should consider offering the reader a free Special Report about how spas can save their marriages. The number one selling book of the 1990's was John Gray's Men are from Mars, Women are from Venus. Do you think there is a lot of interest in this subject? YOU BET!

Using Consumer Research to Create Powerful Marketing Strategies For Any Small Business Industry

You just received eight concrete examples of how you can use consumer research to develop solid, practical marketing strategies. Although we used examples from the spa and pool industry, the process used to develop these marketing strategies is the same for any industry. Some of the strategies may be more practical and successful than others, and but the fact is that you can glean some very important information from these statistics and use them to your advantage.

Use research about customers' purchasing habits from your industry, and start creating more effective marketing strategies for your small business right now.

13 Elements Of A Winning Small Business Advertisement

Nobody can guarantee a winning ad. The only way to know for sure is to test it. But there are several elements that you can incorporate into your ad or sales letter to give it a better chance of being a winner. Use these elements as your own personal “winning ad checklist.”

Element # 1 — Smart Ad Placement

The first step in positioning your ad for success is increasing its chance of being seen by your target market. Running the world’s best radio ad for your retirement planning services on a local hip-hop station wouldn’t be a good idea.

Find out what your target market likes (e.g. sports, cooking, business), where they like it (e.g. car, home, airport), and how they like it (e.g. newspaper, magazine, radio). Until you know this information, you cannot make smart choices about ad placement, and you’ll likely end up wasting a lot of your hard-earned dollars on ads that don’t even get seen by your target market.

Element # 2 — Focus on Your Objective

You’ll never get what you want if you don’t know what that is. This is true for your personal goals and also your advertising efforts. You must have a specific objective for your ad if you want people to act. Is it to call your office, come to your store, or go to your website?

Whatever your objective is, gear all the elements of your ad to persuade consumers to fulfill it. Suppose you want readers to call your toll-free telephone number, then your call to action should be “Call our toll-free number now!”

If you include a testimonial, have your endorser say something like, “When I made a call to their toll-free number...”. Or, you might include copy that says, “One toll-free phone call can change your life forever.”

Multiple objectives will confuse your prospect, and when people get confused, they usually do nothing.

Element # 3 — Irresistible Offer

If you have ever seen the Ginsu knife infomercial, you have witnessed the anatomy of an irresistible offer. Not only do you get the set of Ginsu knives, but also you get the “magic shredder”, the “never-dull chopper”, and the “easy egg-slicer.”

BUT that’s not all — you also get the “2-in-1 blade sharpener”, and if you order in the next 10 minutes you’ll also receive a second set of Ginsu knives! Now that’s an irresistible offer. Who could resist all these bonuses for the price of one set of Ginsu knives?

The secret to constructing an irresistible offer is to add valuable bonuses and extend risk-free, easy-to-pay terms. Continue heaping valuable bonuses on your customer until they throw up their hands and say, “OK, I give!”

One last thought about your irresistible offer: sometimes you can make your offer so irresistible that it appears to good to be true. Always give a reason for why you can make such a great offer. This will add credibility to an incredulous ad.

For example, you might be having a sale that advertises 70% off retail price. When people see “70% off” many will think that all you have done is boost your price 50% just so that you can advertise a 70% off price.

But if you tell them you can offer 70% off because the recent hailstorm caused some very slight damage to your product and you need to liquidate, people can now reconcile your great offer in their minds so that it makes sense and is believable.

Element # 4 — Unique Competitive Advantage

Why should your prospect do business with you over any of your competitors? Even those that have lower prices! Do you have a “wider selection than anybody in the tri-county area”, or do you “deliver within eight hours after the purchase”?

Often your unique competitive advantage is the biggest benefit you can offer your prospects, so consider including it in your headline, bulleted copy, or your guarantee.

If, by chance, you don’t have at least one unique competitive advantage, then you’d better get one... fast. Not having a unique competitive advantage with which to show value results in competing solely on price — and that’s a losing proposition (unless you have a significant cost advantage).

Element # 5 — Advertorial Style

Studies have shown that consumers read news articles seven times more than they do advertisements. It is said that the average consumer is presented with over 3,500 advertisements per day. We have become jaded to promotions and commercials.

Cloaking your ad in a news-style editorial format will not only pull more attention, but also banish incredibility (which is one of the major roadblocks to consumer response). “Advertorial” (advertisement — editorial) ads include compelling headlines, lots of informative, interesting text, quotes, and a judicious use of graphics.

The reason advertorial ads are so compelling is that people are tired of in-your-face sales ads and prefer the silent, soft sell of an authoritative news article.

Element # 6 — Compelling Headline

Your headline is the most important part of all the technical aspects of your ad. 80% of the success of an ad can be attributed to its headline. A powerful headline is either, (1) benefit-driven, (2) news-oriented, (3) curiosity-driven, or (4) how-to oriented.

The following is an example of each:

Benefit-Driven: “You Too Can Have a Slimmer Figure Without Dieting”

News-Oriented: “Amazing New Formula Cures Arthritis Pain”

Curiosity-Driven: “Are You Making These Deadly Hair Care Mistakes?”

How-to Oriented: “How to Flood Your Business with New Customers for Under \$50”

It’s a good practice to develop a minimum of 30 variations of your headline before you select the one you’ll use. Readers satisfy their interests by scanning headlines. If your headline doesn’t grab attention, your ad will never be read, let alone noticed.

Element # 7 — Sell the Benefits

Your prospects don’t care about you. They don’t care about your awards, the name of your business, how much you sell, or how good you think you are. They only care about how you, and what you offer, can benefit them. So leave out all of “me” copy and sell the benefits. Ultimately people only want two things, (1) to gain pleasure, or (2) to avoid pain.

Tell people how your offering will help them either gain pleasure or avoid pain by expressing it in the form of benefits. Don’t confuse this with listing the features of your product or service. People aren’t concerned as much with features as they are with what the features will do for them personally.

To do this, list each of the features of your product and then determine the benefits —the potential for gain or for avoidance of pain — that your prospects will receive as a result of each feature. Hint: Studies have shown people respond better to the fear of loss (pain) than they do to the promise of gain.

Element # 8 — Make it Risk-Free

Consumers are naturally skeptical. With all the scams, rip-offs, and untruthful ads consumers have been exposed to, who knows what to believe anymore? You must make your ad credible and risk-free. The good news is that it's easy to do. Using a combination of these three strategies will provide a powerful risk-free offer.

Strategy #1 — Use Testimonials

Testimonials from real people are powerful. People don't like to be guinea pigs. If they've seen that someone else has received the promised benefits, you'll have instant credibility. Hint: Including pictures of endorsers will double the effectiveness of your testimonials.

Strategy #2 — Offer a Strong Guarantee

Provide as strong a guarantee as is absolutely possible. If you can't provide a strong guarantee for your product, perhaps you shouldn't be selling it. Unfortunately, too many small business people fear that customers will take them up on their guarantees. Let me ask you... When was the last time you took somebody up on their guarantee? Seldom are guarantees exercised. Use a powerful guarantee.

Strategy #3 — Include Facts and Statistics

Use facts and statistics from reliable sources to bolster your claims. People find comfort in positive, scientific proof.

Each of these strategies will build credibility and reduce the risk prospects naturally feel when contemplating your offer. Above all, be truthful and honest!

Element # 9 — Call to Action

When someone tells you that they don't like being told what to do — don't believe it.

People do want to be told what to do. In fact, people need to be told what to do and when to do it.

Phrases such as, “Call now”, “Come in today”, and “Sign up right now” trigger emotional response mechanisms that get your prospect to take action on an offer that they secretly want to take advantage of anyway. Make your call-to-action explicit and clear, so your prospect knows exactly what to do.

Element # 10 — Urgency

Admit it, most people are naturally lazy and like to procrastinate. Without a real or perceived sense of urgency, your prospects will drag their feet. To compel your prospects to act immediately you must inject a feeling of “scarcity.”

Scarcity is felt when the supply of either time or product quantity is limited. For instance, placing a deadline on your offer makes your prospects feel as though they have to take advantage of your offer before they lose the opportunity. An example of this tactic could be rescinding a discount offer or a special additional bonus after a specified period of time.

Another tactic is to limit the quantity available so that people will feel the need to take advantage of your offer before your product runs out. It’s not unusual to see offers stating, “while supplies last”, or “only 50 available... first come, first served.”

If you use scarcity tactics (and you should), make sure that you hold true and keep your word by rescinding the offer when you say you will. If not, you will lose credibility and the tactic will backfire on you.

Element # 11 — Simple to Respond

Most people buy on impulse rather than logic. If your prospects find it difficult to take advantage of your offer during their moment of impulse, you will lose sales. Make it easy to do business with you.

Many people communicate in different ways. Some like to call on the phone, others like to go to the Web, and still others will only fax you their order. It’s important to offer multiple methods to contact you, such as telephone, fax, website, cell phone, pager, or any other communication method.

Studies have shown that people overwhelmingly buy on impulse using the telephone more than any other method. The same studies show that when you offer a toll-free number, response rates increase. Finally, if you offer a recorded message with a toll-free number in which people can hear a message and leave their contact information, response rates increase even more.

Element # 12 — Graphics

Using a graphic is the first step in a three-step system for getting your audience to read your ad. The first step is to attract your reader’s attention with an exciting graphic. Step two is to pull them into your ad with a gripping headline, and the third step is to persuade them to take action with your copy.

A good graphic can attract the attention of your prospect and draw them in to your message. However, a common mistake advertisers make is to add graphics that overpower the copy, leaving little space to tell their story. Although a picture is worth a thousand words, it can also be interpreted a thousand different ways, sometimes causing confusion.

Graphics should draw attention and add to your message. Exciting graphics showing action are always an eye pleaser. Including someone in your graphic from the target market you're trying to reach, actively using your product or service, is also a good choice that will add to your message.

Element # 13 — Accountability

Small businesses don't have a lot of money to spend on advertising and, therefore, must hold their advertising dollars accountable. Without knowing what ads are pulling better than others, you could be wasting a lot of money.

To avoid losing money, you need to track the response rates of your ads. Instead of asking your customers where they heard about you, get definitive proof by implementing a process by which you can track your ads.

For instance, using a separate phone line or extension number for specific ads can help you determine the source of the inquiry. Another tactic may be to use a unique landing page on your website for different promotions. If you're using lead generation by direct mail, tell the recipient that they need to bring the mailer in to take advantage of your offer.

If you are using radio or television as your primary medium, offer the audience a special report (whether it is a paper report, an audiocassette, or a video). This will not only help you track your response rate but give your prospect a good reason to respond.

Conclusion

As you track your ads, keep the best-pulling ad as your "control" piece. Vary the different elements of the ad to determine if your new ad pulls better than your control ad. If it does, make that ad your new control ad.

Although none of these elements alone can guarantee a successful ad, the combination of these elements will increase the potential for your ad to be a solid winner.

12-Step Foolproof Sales Letter Template

You don't have to be an award-winning copywriter to create effective sales letters. In fact, writing great sales letters is more of a science than an art. Even the pros use proven "templates" to create sales letters that get results. The following is a 12-step template for writing foolproof sales letters.

Overcoming the Hurdles Leading to Buying Resistance

Every person has some form of buying resistance. The objective of your sales letter should be to overcome your reader's buying resistance, while persuading them to take action. I liken writing a sales letter to running a steeplechase foot race. The first one to the finish line who jumps over all the hurdles is the winner, or in this case, gets the sale.

Whether you're giving a sales presentation in person or on paper, the process of overcoming the hurdles leading to buying resistance are much the same. These hurdles are manifested in many spoken and unspoken customer comments such as:

1. "You don't understand my problem"
2. "How do I know you're qualified?"
3. "I don't believe you"
4. "I don't need it right now"
5. "It won't work for me"
6. "What happens if I don't like it?"
7. "I can't afford it"

Results-oriented sales letters will need to address some or all of these objections to be effective. The 12-step sales letter template is designed to overcome each of these objections in a careful, methodical series of copywriting tactics. The 12 steps are:

1. Get attention
2. Identify the problem
3. Provide the solution
4. Present your credentials
5. Show the benefits
6. Give social proof
7. Make your offer
8. Inject scarcity
9. Give a guarantee
10. Call to action
11. Give a warning
12. Close with a reminder

Each of these 12 steps add to reader's emotions while calming their fears.

Motivation Is An Emotional Thing

It's important to remember that people are motivated to buy based on their emotions, and that they justify their purchase based on logic only after the sale. This means that each step in the sales letter process must build on the reader's emotions to a point where they are motivated to take action.

That being true, there are only two things that truly motivate people — the promise of gain and the fear of loss. Of the two, the fear of loss is the stronger motivator.

Think about it.

Would you rather buy a \$50 course on “How to Improve Your Marriage” or on “How to Stop Your Divorce or Lover's Rejection?” I have empirical data that proves that the second title outsells the first 5 to 1. Why? Because it addresses the fear of loss.

Underlying the promise of gain and the fear of loss are seven “universal motivations” to which everyone responds. Whatever product or service you are selling, you need to position it so that its benefits provide one or more of these universal motivations:

1. To be wealthy
2. To be good looking
3. To be healthy
4. To be popular
5. To have security
6. To achieve inner peace
7. To have free time
8. To have fun

Ultimate motivations are what people “really” want. Your product or service is just a vehicle to providing these benefits, so make sure your sales letter focuses on these motivational factors.

The 12-Step Foolproof Sales Letter System

Now that we know what impedes a person to buy and what motivates a person to action, let's review the 12 elements of a winning sales letter.

1. Get Attention

Assuming the reader has opened your envelope, the next step is to get their attention. The opening headline is the first thing that your reader will look at. If it doesn't catch their attention you can kiss your letter goodbye. People have a very short attention span and

usually sort their mail over the wastebasket. If the headline doesn't call out to them and pique their interest, they will just stop and throw your letter away.

The following are three headline generating templates that are proven to get attention.

“HOW TO _____”

People love to know how to do things. When combined with a powerful benefit the “How to” headline always gets people's attention. In fact, they're probably the two most powerful words you can use in a headline.

“SECRETS OF _____ REVEALED!”

People always want to know “insider secrets.” We love to know things that other people aren't privy to. Knowledge is power and those who have it feel powerful. Besides that, most of us enjoy a good mystery, especially in the end when the “secret” is revealed.

WARNING: DON'T EVEN THINK OF _____ UNTIL YOU _____.

Remember that people are motivated by fear of loss more than the promise of gain? Well, the “warning” headline screams fear. The word “warning” demands attention and combined with something of interest to the reader, is a very powerful headline.

2. Identify the Problem

Now that you have your reader's attention you need to gain their interest by spelling out their problem and how it feels to have that problem. The reader should say to himself, “Yeah, that's exactly how I feel” when he reads your copy. In fact, you shouldn't stop there. Pretend that it's an open wound that you're rubbing salt into.

This technique is called, “problem — agitate.” You present the problem then agitate it so that your reader really feels the pain and agony of the situation. People are such strong creatures of habit that we rarely change our ways unless we feel great amounts of pain. In fact, companies are no different. Most businesses trudge along doing the same old thing until things get so bad that they have to make a change.

For example, if you were selling garage door openers you might agitate the problem by telling a short story about what happens when one doesn't work.

“There's nothing worse than getting home in the evening and not having your garage door open. It's dark outside and after tripping on the porch step you search for your front door key.

Finally, you find it only to scratch your new front door up trying to find the keyhole. Exhausted, you get inside and plop down on the couch, just as you remember your car is still running in the driveway....”

In this scenario the problem was a faulty garage door opener and the agitation is all the terrible things that happen because of it.

3. Provide the Solution

Now that you've built your readers' interest by making them feel the pain, it's time to provide the solution. This is the part of the sales letter where you boldly stake the claim that you can solve the reader's problem.

In this section you will introduce yourself, your product and/or your service. Relieve the reader's mind by telling them that they there's no need to struggle through all their problems because your product or service will solve them.

4. Present your Credentials

In most cases, after you have introduced yourself and your product or service your reader is thinking, "Yeah, sure he can fix my problem. That's what they all say." So now it's important to hit them right away with the reason why you can be trusted.

List your credentials including any one of the following:

1. Successful case studies.
2. Prestigious companies (or people) you have done business with.
3. The length of time you've been in your field of expertise.
4. Conferences where you have spoken.
5. Important awards or recognitions .

Your readers should get the impression after reading this section that "you've been there and done that" with great success, and that they can expect the same results.

5. Show the Benefits

Now it's time to tell your reader how she will personally benefit from your product or service. Don't make the common mistake of telling all about the features of your product without talking about the benefits. As I already stated, people are interested not so much in you, or even your product or service, but what it will do for them.

Get a piece of paper and draw a line down the center of the paper. Now write all the features of your product or service on the left. Think about the obvious benefits and not-so-obvious benefits of each feature and write them down on the right side of the paper. Most of the time your product will have hidden benefits that people won't naturally think of.

For example, a hot tub not only soothes and relaxes your muscles but it also gives you an opportunity to talk to your spouse without interruptions. The hidden benefit is greater communication with your spouse — and ultimately a better marriage!

Bullet point each benefit to make it easier to read. Think about every possible benefit your reader may derive from your product or service. In many cases, people will buy a product or service based on only one of the benefits you list.

6. Give Social Proof

After you've presented all your benefits the reader will again begin to doubt you, even though they secretly want all your claimed benefits to be true. To build your credibility and believability present your reader with testimonials from satisfied customers.

Testimonials are powerful selling tools that prove your claims to be true. To make your testimonial even more powerful, include pictures of your customers with their names and addresses (at least the city and state).

You might even ask if you can use your testimonial customers' phone numbers. Most readers won't call but it is a powerful statement to include complete contact information. It demonstrates that you are real and so are the testimonials.

7. Make Your Offer

Your offer is the most important part of your sales letter. A great offer can overcome mediocre copy, but great copy cannot overcome a mediocre offer. Your offer should be irresistible. You want your readers to say to themselves, "I'd be stupid not to take advantage of this deal."

Your offer can come in many different formats. The best offers are usually an attractive combination of price, terms, and free gifts. For example, if you were selling a car your offer might be a discounted retail price, low interest rate, and a free year of gas.

Hint: When developing your offer you should always try to raise the value of your offer by adding on products or services, rather than by lowering your price. Include vivid explanations of the benefits of the additional products or services you are offering in order to raise the perceived value of your offer.

8. Give a Guarantee

To make your offer even more irresistible you need to take all the risk out of the purchase. Remember, that people have a built-in fear that they are going to get ripped off. How many times have you purchased a product and got stuck with it because the merchant wouldn't give your money back?

Give the absolute strongest guarantee you are able to give. If you aren't confident enough in your product or service to give a strong guarantee you should think twice about offering it to the public.

In reality, almost all small businesses already have a very strong guarantee, but don't realize it! If you had an irate customer that wanted their money back would you just say, "No, I'm sorry. I will not give your money back?" Probably not. If they insist on getting their money back, in most cases you'll give it back to them.

You see, most businesses already have a strong guarantee and don't hold it up and trumpet it for fear that a lot of people will take them up on it. That's simply doesn't happen. When was the last time you asked for a full refund on something? If you're like me, it's been a while.

Here is an example of a guarantee that I give for one of my products:

*** * "100%, No Questions Asked, Take-It-To-The-Bank Guarantee" * ***

I personally guarantee if you make a diligent effort to use just a few of the techniques in this course, you'll produce at least \$4,490 profit in the next 12 months. That's right, \$4,490 extra profit you never would have seen without this course. If you don't, I'll refund the entire cost of the course to you.

Actually, you get double protection. Here's how. At any time during the 12 months, if you sincerely feel I fell short in any way on delivering everything I promised, I'll be happy to give you a complete refund. Even if it's on the last day of the twelfth month!

This guarantee extends for an entire year and they will receive specific benefits (in this case it's money). If they don't get what they expect, they get their money back with no questions asked. This virtually eliminates all the risk for the buyer.

Hint: Your offer may be so good that people won't believe it. You've heard the old axiom, "If it's too good to be true, it probably is." To avoid this thinking, give the reason why you can give such a great offer. For example, you might have goofed when ordering inventory and now you're overstocked and that's why you can offer such a great price. When people read the reason why, it will help them reconcile your irresistible offer in their mind and make it more believable.

9. Inject Scarcity

Most people take their time responding to offers, even when they are irresistible. There are many reasons why people procrastinate on investing in a solution. The following are just a few:

- They don't feel enough pain to make a change
- They are too busy and just forget

- They don't feel that the perceived value outweighs your asking price
- They are just plain lazy

To motivate people to take action they usually need an extra incentive. Remember when I said that people are more motivated to act by the fear of loss rather than gain? That's exactly what you are doing when you inject scarcity into your letter.

When people think there is a scarce supply of something they need they usually rush to get some of it. You can create a feeling of scarcity by telling your reader that either the quantity is in limited supply or that your offer is valid for only a limited time period.

Your offer could sound something like this:

"If you purchase by (future date) you will get the entire set of free bonuses"

Or

"Our supply is limited to only 50 (product or service) and will be sent to you on a 'first come, first served' basis. After they are gone there won't be any more available."

Or

"This offer is only good until (future date) after which the (product or service) will return to its original price."

One word of caution: If you make an offer you need to live up to it. If you go back on your word after the deadline date you will begin to erode the trust and confidence your customers have come to expect from you.

10. Call to action

Do not assume that your reader knows what to do to receive the benefits from your offer. You must spell out how to make the order in a very clear and concise language. Whether its picking up the phone and making the call, filling out an order form, faxing the order form to your office etc.... you must tell them exactly how to order from you.

Your call to action must be "action-oriented." You can do this using phrases like 'Pick Up the Phone and Call Now!' or "Tear Off the Order Form and Send It In Today!" or "Come to Our Store by Friday and ...". Be explicit and succinct in your instructions.

Plant your call to action throughout your letter. If you are asking the reader to call your free information line then perhaps some of the testimonials might say, "When I called their free information line". Or in your offer you might say, "When you call our free information line..." Then when you give the call to action at the end of the letter, people won't be surprised or confused. It will be consistent with what you said all throughout your letter.

11. Give a Warning

A good sales letter will continue to build emotion, right up to the very end. In fact, your letter should continue to build emotion even after your call to action. Using the “risk of loss” strategy, tell the reader what would happen if they didn’t take advantage of your offer. Perhaps they would continue to:

- Struggle day to day to make ends meet
- Work too hard just to get a few customers
- Lose the opportunity to receive all your valuable bonuses
- Keep getting what they’ve always got
- Watch other companies get all the business
- Etc.

Try to paint a graphic picture in the mind of the reader about the consequences of not taking action now. Remind them just how terrible their current state is and that it just doesn’t have to be that way.

12. Close with a Reminder

Always include a postscript (P.S.). Believe it or not, your P.S. is the third most read element of your sales letter. I’ve seen good copywriters use not just one postscript, but many (P.P.S). In your postscript you want to remind them of your irresistible offer. If you’ve used scarcity in your sales letter, include your call to action then remind them of the limited time (or quantity) offer. It sounds like a simple step but postscripts get noticed.

Voila! You now have a powerful sales letter. Using this 12-step formula anyone can write an effective sales letter that sells. The following are a few extra tips to help you write an even better sales letter:

Tip #1: Write the Features/Benefits — The biggest hurdle to writing a great sales letter is just getting started. Many people have a fear of writing. One way to get your letter started and develop a helpful guide for your letter is to write a feature/benefit list.

Take a set of 3 x 5 cards and write all the features you know about on one side of the cards. Then turn the cards over and write a benefit for each feature. You’ll have started your letter and produced a list of benefits you can use to write it.

Tip #2 — Once you have completed the letter, let it sit for a day or so. This will allow you to be more objective you when you edit your letter. If you’ve just spent the last few hours working on it you will find it hard to catch the mistakes or edits in the letter because you’re just too close to it.

Tip #3 — Develop a “swipe file” to help get your creative juices flowing. When you see a great ad or receive a particularly effective letter in the mail, keep it in a file that you can refer back to again and again. Companies pay thousands of dollars to develop their marketing materials; you might as well take advantage of that by using them as a model for your own work.

Tip #4 — Before you start writing your sales letter, develop a customer profile sheet by documenting every thing you know about your target customer. Some great copywriters put a picture of a typical customer in front of them as they write to help them remember to whom they are writing the letter.

Tip #5 — I often get the question, “How long should my sales letter be?” and my answer is, “As long as it needs to be.” Each part of your sales letter should be building your case. If it takes multiple pages to build your case, then that’s how long your letter should be; I use a 24-page sales letter to successfully sell one of my products.

Most anyone can write a powerful sales letter by just following this simple 12-step process. Make sure that you include each of the steps because each step builds your case in a unique way and adds to the reader’s emotions.

Telephone Success Strategies for Small Businesses

The other day I was in an auto parts store buying an oil filter. It was on a Saturday morning and there were only two workers on duty. The place was packed and the line to purchase goods was long, and most of the people were getting impatient.

Suddenly, the phone started ringing and the worker seemed very irritated. Finally, after about 10 rings he got frustrated and answered the phone. He was rude and brief while he reluctantly answered the caller's question. As soon as he could, he slammed down the phone and resumed his behind-the-counter duties.

This episode occurs millions of times a day around the small business world. It's not only confined to the retail world but the professional world as well. Too many small businesses see phone calls as interruptions rather than opportunities.

You Pay Good Money to Make Your Phone Ring!

A ringing phone is the result of your marketing efforts, which you pay good money to develop and implement, and the fact that your phone rings indicates that your marketing is working. Don't squander your hard-earned marketing dollars (and reputation) by underestimating the value of each phone call.

The following are several inbound and outbound telephone marketing practices that you can use to make your phone one of your most powerful marketing weapons.

Stress the Value of Each and Every Phone Call

1. **Know Your Costs** — Calculate your cost of an inquiry by dividing your total cost of advertising by the average number of calls you receive. For instance, if you spend \$5,000 monthly on advertising, and get about 500 calls, each call cost you \$10.

To further stress the value of each phone call, attach a \$10 bill to the handle of each phone unit to remind your employees how important each and every phone call is to your business, and that each call could result in cash.

2. **Recognize Good Work** — Give a "golden phone award" to the employee who gets full contact information from the most inbound callers. Spray paint a phone gold and give it out at an employee meeting with a free dinner for two or weekend at a local hotel.

3. **Train Employees** — Include telephone training in your sales meetings. Ask employees (rather than you) to give the training. Supply your employees with access to professional telephone training systems for reference.

Get Each Caller's Full Contact Information

The value in any business is its customer and prospect list, and the fastest way to build that list is to ask for contact information.

1. **Customer Information** — Ask to know if the caller is a prior customer. If they are then say, “Mr. Customer, we are updating our customer list. Would you mind giving me your address and phone number so that we can update our records?”
2. **Prospect Information** — If the caller tells you that they are not a prior customer then handle the phone call. At the end of the call say, “Mrs. Prospect, I’d like to send you a free report that you’ll find very interesting. It will help you ... If you give me your address and I’ll send it out to you today.”
3. **Email Address** — To get a customer or prospect’s email address (critical!) offer the customer a second free gift that you can email to them right away, and then ask for their email address. Getting prospect and customer email addresses is important because you’ll be able to market to them absolutely free.

Have A Reason to Call Prospects

Have you heard? Cold-calling doesn’t work — but “warm-calling” does. Warm-calling happens when you call someone who has already had some type of experience with you. Whenever you call a prospect, have a valid reason to call.

1. **Direct Mail Follow Up** — Send a direct mail piece to a prospect or customer and follow up by asking them about, “the free report you sent them three days ago” or the “newspaper article you recently sent them.” You can even call them up in advance just to let them know your direct mail piece is coming (this is better done with voice broadcasting).
2. **Use a Familiar Name** — Try to get the name of someone familiar that you can use to open the conversation. For instance, “Hi Ms. Prospect, my name is Denise and I’m calling from Spa City USA. I was speaking with John Richter yesterday and he mentioned that I might want to call you...” (Hint: always get permission from the referrer to use their name)

Listen Carefully While On the Phone

People call you because they want something. Let me say that again. People call you because they want something. They might want a price, an explanation, to report a problem, to speak with a manager etc. Whatever the case may be, they want something.

The key to selling is to give people what they want. What better time to listen to what somebody wants than when they call you up? If you listen well enough, your prospects will tell you just what you need to know to sell them your product or service.

1. Ask Open-Ended Questions — Questions such as, “Why are you looking for (product or service)?” evoke free-wheeling responses that contain valuable information. Ask questions that start with, “Why...”, “What are your thoughts...”, “Tell me about...”, or “What was your impression...”

2. Wait For a Response — A common mistake with phone marketers (inbound or outbound) is that they feel the need to talk. Remember, when you’re talking, the customer isn’t. You should do 20% of the talking and let the customer or prospect do 80%. Don’t be afraid to leave dead space on the phone while you’re waiting for a response. Ask an open-ended question then be quiet and listen.

3. Listen Carefully for Pain, then Quantify It and Solve It — People have a natural tendency to complain about problems. As a marketer, this is your key to success, because the reason people are complaining about problems is because they’re looking for a solution, even though they may not ask for one.

Listen for a problem that is causing your prospect pain, then try to quantify it. Find out just how bad the pain is by turning it into numbers. For instance, your prospect may tell you she has back pain. Your response could be, “On a scale from one to ten, ten being excruciating, how bad is your back pain?”

Or if your prospect’s inventory is being stolen, a possible response may be, “What is the dollar cost of inventory that is missing per store? How many stores are experiencing this same problem? Then this problem is costing your business \$XX dollars.”

Now solve your prospect’s problem by keying in on the solution to their pain. “Ms. Smith, most of our customers experience back pain just like yours, some even worse. Most have found relief within 30 days or less using (product or service).”

Turn Price-Checkers Into Value-Seekers

One of the most common challenges to telephone marketing is how to handle price-checkers — people who call you up just to get a price. This is especially dangerous if they have not yet received enough information to determine value.

It leaves you to compete on price alone. This leaves you at a disadvantage unless you sell a bottom-end, cheap-as-dirt product. If you do, hopefully you have a cost advantage over your competitors.

Perhaps the most detrimental result of giving out your price over the phone is that you have just taken away the single most powerful motivation for people to come into your business and speak with you personally. You’ve just set yourself up to be price-shopped.

1. Ask Probing Questions — The secret to handling price-checkers is to ask them open-ended probing questions. For instance,

Caller: “Hi, what’s your price on the platinum pool?”

You: “Well, what type of pool are you looking for?” or “It depends, what types of features are you looking for?”

These responses lead you into “value discussions” that help you to build the value of your products or services in the mind of a prospect. Remember, if you can’t build value then all you have to compete on is price, and this is rarely a winning proposition.

2. Use the Compare / Contrast Principle — Earlier I told you to quantify the pain your prospect is experiencing. If you’ve done this right, the dollar amount of the pain will be very large compared with the price of your product or service. In comparison, people will see the price of solving their problem as very low in contrast to what their problem is costing them.

Remember: If you feel the need to give out a price or estimate over the phone, do so only AFTER you’ve had a conversation about value using the compare / contrast principle.

Always Ask for An Appointment

A phone call without an appointment is like a website without visitors. Why work to make your phone ring if you’re not going to try and get an appointment? You should ask for an appointment on most every call.

1. Give Your Caller a Reason — It’s much easier to ask for an appointment when there is a valid reason to meet. You might say, “I’d like to show you one specific technique we use to reduce costs that many of our customers are getting great results from. I’d like to meet with you this week to demonstrate how this technique works.”

2. Be Sensitive To Their Time Constraints — People are busy and don’t want to be bothered, so you always need to openly recognize the value of their time. For instance, using the previous example you might say, “I’d like to meet with you this week to demonstrate how this technique works. I know your time is valuable and I want to honor that. Our meeting would only last for 15 to 20 minutes.”

3. Tie Down a Time By Limiting Their Options — Give your prospect only two options for meeting times. First of all this forces your prospect to think about WHEN they can meet rather than IF they want to meet with you. Secondly, it makes it a simple no-hassle scheduling process.

Again, following up from the last example you could say, “Our meeting would only last for 15 to 20 minutes. I have a time slot open on Wednesday at 3:45 pm or Thursday morning at 11:15 am. Which is better for you?”

Use Benefit-Oriented After-Hours Voicemail

There’s no better time to market to somebody then when they are waiting to speak to you. Instead of telling the person waiting on the phone about how great you are, help them to solve their problems. Here is a typical message that I hear often: “Thanks for calling ABC Pools. Our store hours are from 9:00 a.m. to 6:00 p.m. Please call back during our normal business hours. Thank you.” Click.

1. Offer a Free Report — Consider putting a recording similar to this on your message system:

“Thanks for calling ABC Pools, with the only pool that provides a maintenance-free sparkling pool water system. If you’ve reached this message we are probably gone for the day. We apologize and want you to know that you are important to us. Feel free to call our 24 hour free recorded message at xxx-xxx-xxxx to hear “The Six Secrets to Building Your Own Pool.” Leave your name and number at the sound of the tone and we’ll call you as soon as we possibly can. If you don’t leave your name and number we won’t be able to enter you into our drawing for a free trip to Las Vegas. Thanks again for calling ABC Pools.”

2. Send a Postcard — Another idea is to talk to your phone company about hooking up a caller ID so that you can get their phone number with a reverse phone number look up that can be found on the web.

If you get their address in this manner, immediately send a postcard out to them thanking them for their inquiry and inviting them to come in or receive a free report. If they are calling you and they are a prospect, it means that they are in the market and will probably make a decision soon, so the postcard needs to go out quickly.

Conclusion

Your telephone can be a powerful marketing tool if it is used correctly. With some know-how training you’ll be able to see results immediately. A great website for learning more about how to use your phone to make profits is www.BusinessByPhone.com owned by Art Sobczak, an author and expert in telephone marketing.

How to Price Your Product or Service for Maximum Profit

Often the difference between a winning product and a loser is how you price it. Sales tests have shown that price is one of the most compelling factors that determine the success of a sale. Readership surveys have shown that readers will often skip copy just to get to the bottom of the advertisement to find out the price.

The Four P's of Marketing

For those of you who have studied marketing in school, you'll remember the Four P's of Marketing: (1) Product, (2) Place, (3) Promotion, and (4) Price. These four elements of marketing together determine the success of your product or service.

When determining a strategy for a profitable business you should ask yourself four critical questions as a result of the Four P's...

How can I improve my product?

How do I get it from point A to point B?

How do I tell people about it?

How much should I charge for it?

The first three questions all have a cost associated with them. Only the fourth question actually determines how much money you'll bring in. So pricing is a critical question that should be considered carefully.

What Is Your Objective?

When pricing your product or service you must always have an objective in mind. Knowing your objective will have a huge impact on the final price you set. It is true that the ultimate objective of your price is to make the most money possible. However, there are different routes to reach that objective.

For example, the following are six pricing strategies to meet certain objectives. Each strategy will, perhaps, result in a radically different price to meet the objectives of the business.

Strategy #1 — Pricing low to penetrate the market and gain customers.

Objective — Perhaps you're just entering the market with a new product and you want to gain as many customers as possible.

When to Use — If you have a big "back-end" product that you plan to sell as a follow up to the lower priced "front-end" product. Or it might be that you have a consumable product that people will buy over and over again so you want to gain customers, get them hooked on your product or service, and then slowly raise the price.

Strategy #2 — Pricing high to skim maximum profits.

Objective — To gain the maximum amount of profit per unit in the shortest amount of time.

When to Use — When your product is unique and new with no competition and you have a short window to skim the maximum profits before knock-offs start flooding the market.

Strategy #3 — Pricing low to crush the competition.

Objective — You want to squeeze your competition out of the marketplace so they no longer compete with you.

When to Use — Your product is a perceived commodity and you have one or two competitors with which you are constantly having price battles. (By the way, technically this practice is illegal)

Strategy #4 — Pricing to make a "normal" profit.

Objective — To set a price that is seen by your customer as honest and reasonable.

When to Use — You may be on contract (such as a government contract) with a customer that you have a long-term relationship with and whose trust you value immensely (and who does periodic audits on your books). In this case you might use a cost-plus pricing strategy.

Strategy #5 — Pricing to the market to be competitive.

Objective — When you want your stay competitive and be considered for any proposal, bidding, auction or other competitive pricing situations.

When to Use — When your product is very similar to your competitor's and you are limited in the methods you can use to differentiate it.

Strategy #6 — Pricing for maximum profit and maximum sales.

Objective — You want to get the maximum amount of profit possible but not at the expense of losing customers.

When to Use — After your initial introduction and you have the ability to differentiate your product.

Hopefully after reviewing these six strategies you realize that your price is not just a function of the cost to produce your product or deliver your service but is more a function of what you're trying to achieve.

Pricing Myths Exposed

There are a lot of myths out there about pricing your product or service, and some fly directly in the face of popular thinking (and what I've stated in the previous section).

Myth # 1 — Price is the consumer's most important buying criteria.

Truth — Yes, price is important but it is no way the most important criteria for a shopper. I've never seen one study that has shown price to be the most important buying criteria for a consumer. In fact, most studies I've reviewed show price to come up around fourth place on the importance list.

Just look at those who pay exorbitant prices to buy brand clothing such as Ralph Lauren or Tommy Hilfiger. How about those who buy goods at the local gas station or 7-11 store whose prices are astronomical? Remember the Cabbage Patch Doll or the Tickle-Me-Elmo craze? Prices went sky-high because the demand was so high for them.

Even if you have a product that you think is a commodity, there are a myriad of other ways to differentiate your product or service so that you can charge a higher price (which leads me to the next myth).

Myth # 2 — You have to match or slightly under-price your product or service in a commodity driven or competitive market.

Truth — There are so many ways to differentiate your product or service that it baffles me why businesses continue to believe this myth. Here are just a few ways you can differentiate yourself:

- Specializing in a particular niche

- Adding bonuses or premiums
- Delivering it faster
- Touting your experience or credentials
- Showing successful case studies
- Having others testify to your differentiation
- Limiting distribution or accessibility
- Partnering with heavy-hitters
- Having extreme guarantees
- Etc. etc. etc.

There are a myriad of ways to differentiate your product or service. All it takes is a bit of creativity and some good marketing. You should never have to just accept the prevailing price of a product. Price-takers get eaten up and spit out. Price-makers spend their vacations in Hawaii.

Myth # 3 — Pricing is a simple matter of taking the cost of your product or service and marking up your desired profit margin.

Truth — The fact is that most businesses don't know their costs, so even if they wanted to do cost-plus pricing they couldn't. If you don't know your cost how can you "mark up" your price? In addition, the cost-plus price may have nothing to do with the value you provide or the market price of your product or service.

Even though you may not be able to determine your price, you should be able to approximate it. It's better to be approximately wrong than to be precisely right. In any pricing scenario, you must know the approximate cost of your service so that if you are losing money, at least you know it and it is part of your strategy.

Myth # 4 — If sales are lagging just drop your price and sales will increase.

Truth — Just open the paper and count the number of times you read the word "sale." The truth is that people do put a high value on price but they also put a high value on quality, and when you lower your price you cheapen the perception of your quality.

If you lower your prices just to increase sales you should have a good reason. If you believe you'll be able to up-sell your new customers or you believe that can "back-end" them with bigger offers, then your strategy is justifiable. But if you just lower your prices to increase sales you could be just speeding up your losses.

Price is a Perception of Value

It's important to remember that you must sell your product or service at a price that is higher than your cost to produce and promote it. That's called a profit. But perhaps even more important is knowing this — your customer will only buy your product or service if they determine that its perceived value exceeds the price they have to pay to receive it.

Price is about perception of value and has little to do with actual value. The whole goal of your marketing efforts is to spread the word and convince people that the value is higher than the price they are being asked to pay.

I'll never forget a story I once heard about a fellow who approached the legendary marketer/copywriter Gary Halbert to ask about the seemingly high price he was planning to charge for his new product. He asked Gary, "Do you think people will pay \$XX dollars for my new widget?" Gary's reply is profound and something you should always remember. He said, "I don't know. How good is the sales letter?"

I love this story because it summarizes everything that is great about the power of good marketing. Your product or service's price has nothing to do with its actual value. It has everything to do with its perceived value and how well you can build that perception in the mind of a prospect using effective marketing.

Testing Price Points

All the price theory in the world won't tell you what your optimum price is until you let consumers test it with their wallets. I remember Mark Nolan, author of The Instant Marketing Plan once telling a story about how he sold 100,000 copies of a book on free publicity he'd written for \$29 a piece.

After selling a ton of these books he had a conversation with another marketer who asked him if he had tested his price at \$49. Mark just stared at him as he realized that he'd been so busy selling his book — and things were going so well — that he hadn't tested his price.

You should consider starting your test with four price points:

1. What you think should be the price.
2. The highest possible price you can imagine, but one to which you think that consumers would still respond.
3. A low price that is a great deal for the customer, but less than you want to charge.
4. A fourth price that is outrageously high or low.

Holding everything else constant, determine the sales from each price point. You'll probably find that the price that obtains the maximum sales and profitability is higher than what you had originally intended.

You might also consider price-testing a combination offer. By this I mean: what combination of items can you offer for the maximum sales at the highest price? This may be more difficult in the real world but on the Internet it is simple.

Just send one stream of prospects to a page with one combination and price and send a second set of prospects to a second page with a different combination and price. The combination could include different products bundles, different guarantees, different service features etc.

Teeter Price and the Six Questions

Ken Evoy, coauthor of Make Your Price Sell, an online price determination product, invented the term “Teeter Point,” which he has even trademarked. The teeter point is the price at which a consumer just can’t make up their mind. It’s the point at which if the price was raised a dollar you’d lose the sale and if it was dropped you’d win.

The trick of course is find the teeter point. Ken asks two questions to two different groups of people to find the teeter point.

Question # 1 — What price is almost too high to buy?

Question # 2 — What price is just a bit too high to buy?

If the median for question # 1 is \$50 and the median for question # 2 is \$45, then your teeter point is somewhere between \$45 and \$50.

To determine a consumer’s buying habits Ken has asks two more questions.

Question # 3 — What is the price you usually spend for (product name)?

Question # 4 — How often do you buy (product name)?

This information is important because it helps you determine what a consumer might expect to pay for your product or service.

Other questions that are asked in Ken’s price survey are:

Question # 5 — On a scale from one to seven, how unique is (product name)?

Question # 6 — On a scale from one to seven, how important is (product name)?

The more unique and important your product and service, the higher the price you can attach to it.

The last question that is asked is:

Question # 7 — What is a fair price for (product name)?

The respondent will normally answer with a price that is lower than what they truly consider fair. However, combined with the teeter point questions, you’ll have a good indication the optimum price you can charge for the most sales.

Presenting Your Price

Perhaps the only thing more important than setting the right price is how you present it. The key to presenting your price is to compare it with something that the consumer perceives as relatively huge.

For instance, the following techniques uses the compare / contrast method to give the perception that your price is not only fair, but a great deal.

Technique # 1 — Volume Method

Imagine you are selling a course on how to stop smoking. Using this method your copy would read something like this: "...you'd have to have 12 months of personal smoker's rehab counseling to get the same amount of coaching that you'll find in this course."

Suppose you are selling taxation consulting you could say "...in just one session you'll learn how to save more in taxes than you paid last year to the I.R.S." Notice how what you are giving them is compared to a much larger quantity, which has the effect of making your price seem like a great deal.

Technique # 2 — Monthly Installment Method

Offer to have your customer pay low monthly installments, rather than one hefty price, then just advertise the monthly installment price. This gives the perception of a low price. Recently I sold a mobile home and noticed that people didn't really care about the price of the home; they were more concerned about the amount of the monthly payments.

Technique # 3 — Individual Value Comparison

This method takes each individual component of the offer, places a value on it, and then adds it all up for a total and then compares it to the asking price.

For instance, if you were in the hotel business you might say this, "...your luggage carried to your shuttle van (value — \$15), a swift shuttle ride directly to your hotel (value \$35), your personal assistant to help you carry up your baggage and get settled in (value \$10), premium movie channels for your viewing pleasure (\$12), a relaxing overnight stay in your personal suite (value \$189), and a hearty breakfast in the morning (\$15) for a total value of over \$260...yours for only a small investment of \$99. You save over \$160!

Technique # 4 — Pain Avoidance Method

As a consultant I often try to put a price tag on the problem to give my client a realistic picture of what it is costing her to continue to do nothing. Then I compare it to my relatively small fee for helping to rid her of that problem.

For instance, the conversation might go like this...

David: “Hmmm, so you have a theft problem in your stores?”

Client: “Yes, it’s terrible”

David: “What types of things are being stolen?”

Client: “Computers and software mostly.”

David: “What do you think the average price is for the computers and software being stolen?”

Client: “The computers cost around \$1,200 and the software costs around \$50.

David: “How many are missing on a monthly basis?”

Client: “We usually come up about five computers short and probably about 20 different software packages are missing.”

David: “Now this is happening in all your stores?”

Client: “Yes”

David: “Well, let’s see. From what you told me you’re experiencing a shrink problem of around \$6,000 per store and you own 12 stores so you’re total shrink is costing you around 60,000 a month overall.”

Client: “Yes”

David: “So, in a year’s time you could have a million dollar problem.”

David: “Would you be willing to invest \$50,000 to get rid of you million dollar problem?”

Technique # 5 — “Most — Some — But” Method

This technique is a simple competitor comparison that gives the perception of rarity or exclusivity.

Example # 1 — Nail Salon

At most upscale salons you’ll pay \$50 – \$100.

In some popular salons you may pay as little as \$35 – \$40.

But our low preferred customer price is just \$19.95.

Example # 2 — Jewelry Store

Many jewelry stores charge \$200 – \$300.

Some jewelers will offer specials as low as \$99.

But, during our Customer Appreciation sale you only pay \$67.

This method is used to dramatize the discounts or low price that you offer compared to other businesses in your market.

Technique # 6 — “Reason Why” Method

If you charge a very high price or a very low price, it may be a bit hard to believe by consumers who are used to paying a certain price. Telling the consumer why the price is so high or so low helps to reconcile the price discrepancy and helps them accept it as reasonable.

Example # 1 — Inventory Overstock

“Our prices are so low because we goofed on our last inventory order and are now seriously overstocked. If we don’t sell all our (product) we’ll have to file for bankruptcy, so we’re clearing out all our inventory at ridiculously low prices.”

Example # 2 — Custom Pool Builder

“Rainey pools recruited a team of the most experienced pool design engineers in the country to design each and every pool, down to the last nail. No expense was spared. We have developed the pool industry’s most advanced software at a cost of over half a million dollars to ensure that the surrounding landscape blends in with the pool design, to create a complete three-dimensional vision before anyone even steps foot on your soil. Our advanced planning system takes every circumstance and detail into consideration to guarantee that your project will be completed on time and on budget. Lastly, we’ve scoured the eastern seaboard to find the most experienced pool construction people — whom we pay twice the industry average to create your backyard masterpiece. With over millions of dollars worth of experience, research, technology, and quality control, you’ll have the finest backyard experience available anywhere in the world.”

Pricing Rules for Rounding Off

How you end your price has more to do with human psychology than practicality. People buy on human emotion rather than rational logic. The following are several rules developed by price expert Erin Mitchell, President of the Pricing Society (www.Pricing-Advisor.com).

Tip # 1 — For prices up to \$10 use endings such as \$.99 rather than \$.95. Customer’s reactions are the same for both price points and the \$.99 garners you four more cents. Also, prices ending in odd numbers such as .34 are confusing to people and may cost you sales.

Tip # 2 — For prices from \$10 to \$100 the best ending to use is \$.95 rather than \$.99 because the \$.99 is seen as a “greedy” price.

Tip # 3 — For prices greater than \$100 it’s better to present your price in whole dollars rather than cents. It’s a cleaner look.

Tip # 4 — Pricing for professional services should be in whole numbers such as \$150 rather than \$139.95. It's more professional and promotes dignity and confidence in your fees and rates.

Advertise Your Price?

I often get the question of whether to advertise price or not. This has been an ongoing debate for years. **I recommend not advertising your price unless it is surprisingly low.** You're limited as to what you can do to build value in an average size advertisement. Displaying a high price without first building value is a losing proposition.

If you're running a sale, just advertise the discount amount rather than the price. For instance, advertising "20% Off" or "Take \$1,000 Off", rather than showing the actual price, can get people just as excited as showing a low price — without showing the actual price.

Price Gimmicks that Work

All you have to do is open the paper to see a lot of price gimmicks that retailers use to lure people into their business. I could have listed a dozen gimmicks but I've limited it to five common ones.

1. The \$1.00 Gimmick

The \$1.00 gimmick is my favorite and is very powerful. It includes advertising a product for the “almost free” price of \$1.00. Tell your consumers to call or come in and find out how to get your product for only \$1.00.

Your average consumer knows that this is a gimmick but it's so intriguing that many come in just to see what the catch is. This is especially effective if the \$1.00 product has value. Currently, a friend of mine is offering a marketing course to insurance professionals for \$1.00 using a postcard marketing campaign.

However, to get the marketing course for \$1.00 they must purchase his \$300 marketing course. Is it a gimmick? Yes! Is it a good deal? Absolutely! In fact, the \$1.00 course is even more valuable than the \$300 course, which is the key to attracting prospects.

2. Bait and Switch Gimmick

First of all the bait and switch gimmick is illegal. Nonetheless, it is still practiced. The bait and switch gimmick advertises a very low price for a product and then when the prospect comes in to buy it, the business has “sold out” and the prospect is then steered toward a higher priced product.

3. The Down Payment/Monthly Payment Gimmick

Car dealerships are famous for using the down payment / monthly payment gimmick. In fact, I have a newspaper advertisement as I sit here writing that says, “Used Cars to Be Sold For As Low As \$69 Plus TTL. Millions of Dollars in Unclaimed Vehicles.”

Do you believe that this car dealership is going to sell a car for \$69? Of course not! The \$69 is a down payment; however, it is presented as the total price of the auto. It is very convincing and many people flock to these car sales every weekend.

The monthly payment gimmick is done the same way. A low monthly payment is presented as though it is the entire price of the product.

4. The Free Gimmick

The free gimmick is great for giving away teaser or trial test products without losing your shirt. If you've been watching television lately you've probably seen the CEO of the

Video Professor computer training company. They sell computer training courses on CD-ROM.

The CEO offers you a free CD-ROM of your choice. He says, “Why am I giving these away? Because I know if you try just one of my CD-ROM training courses, you’ll come back for more.” However, in small print you’ll see that he charges \$6.95 for shipping.

The \$6.95 will not only cover his shipping, but also the manufacturing cost of the CD-ROM. He loses nothing in the offer. When you call up (like I did) you’ll find out that they try to up-sell you like crazy.

5. The Shipping Charge Gimmick

A spin off of the Free Gimmick is the shipping charge gimmick in which a low price is advertised. But when the order is made an exorbitant shipping fee is charged. So the real profit is hidden in the shipping fee.

There are no restrictions on how much you can charge for shipping. The higher your product is priced, the easier it is to hide profit in the shipping fee.

Successful Discounting Strategies

Discounting can be a powerful tool to close the sale. However, it is over-used and entirely abused. Consumers just expect a discount in our current retail environment. Instead of discounting, business owners should consider building value through adding low cost, high value bonuses and premiums to entice customers to buy.

To make your discount even more powerful it should be tied to a deadline. This introduces a feeling of urgency, which motivates prospects to action.

With that said, let’s review a few successful discounting strategies.

1. New Product Introduction Discount

When introducing a new product you may consider offering it to a select group of individuals on an exclusive basis. This will jumpstart sales.

You might say something like this, “For the next two days I’m offering this introductory discount of 40% off exclusively to my current customers. After this introductory period, you’ll have to buy my product at the regular purchase price of \$XX. Hurry and take advantage of this special exclusive offer right now.”

Or you could introduce it to the customers of a joint venture partner by having your partner say, “...I wanted to let you in on an exclusive special offer on a new product that my friend John Doe is coming out with this week. I had to twist his arm to get him make this offer to my customers. He finally relented. Hurry and take advantage of this deal

while it lasts. I was fortunate enough to get him to agree to extend to you such a significant price break.”

2. Quantity-Tiered Discounting

A quantity-tiered discount is one that increases with the volume of purchase. For instance, if you buy three cans of peanuts you get a 10% discount. If you buy 10 cans you get a 12% discount. And if you buy 20 or more you get a full 15% discount off the regular price.

Many consumer goods companies do business this way. Unfortunately it creates erratic order quantities and makes it difficult to predict future product demand. But that’s another article.

3. Value Bundle Discount

The value bundle discount offers a lower total price for a bundle of products or services. For instance, assume you were selling a membership as a preferred customer to your clothing store you might offer...

A \$50 coupon for shirts and slacks. (value = \$50)

A \$100 coupon for a suit. (value = \$100)

One free tie. (value = \$25)

One free pair of socks. (value = \$8)

One year of free tailoring. (value = unlimited)

The total value of the entire bundle of goods and services exceeds \$183. Instead of offering each of the goods separately you offer the entire bundle in a membership package for \$100. That’s a great value that would be tempting to anyone. But because your markups are over 100% you still make a respectable profit.

4. Secret Code Discount

The Secret Code Discount is also one of my favorites because it gives a feeling of intrigue, exclusivity, and excitement. The discount includes offering a coupon or ticket with a secret code on it. You must go to the business’ website, enter the secret code, which then takes you to a webpage containing a discount coupon that you can print out that you carry into the store.

10 “Stealth” Ways to Increase Your Price

Have you ever wanted to increase your prices without increasing your prices? Here’s 10 ways to generate more revenue without making a public price increase announcement.

1. Decrease your level of discounts offered to customers.

2. Increase your minimum order sizes so that customers will have to meet a higher minimum threshold to get their discounts.
3. Increase your delivery charge and start charging for any special services related to delivery.
4. Start invoicing for repairs on serviced equipment.
5. Bill your customer for any engineering and installation services that you previously included in the purchase price.
6. Raise your prices for overtime on rushed orders.
7. Start aggressively collecting on overdue accounts from the past several months.
8. Shift your sales mix to higher margin products and service and start phasing out the lower margin items.
9. Begin to write stiff penalty clauses into all your contracts.
10. Decrease the physical characteristics of the product or remove services that you are now providing and continue to charge the same prices.

Never Compete On Price

Let me first say this, and if you get nothing else from this chapter remember this, “Never compete on price!” Never, never, never! It’s a losing proposition for you and for your competitors. OK, there’s always an exception. If you have a substantial cost advantage that is virtually impossible to duplicate then there might be a case for competing on a lower price.

What usually ends up happening is after you lower your price, your competitor is forced to lower their price a little more, then you have to match the lower price and down it goes. Every body loses (except for the customer). Why compete on price when there are so many avenues for differentiating your product or service? It doesn’t make sense. Or should I say, cents...

Conclusion

Pricing is a key factor in marketing and selling your product or service. Whatever price you choose, make sure that you have an end objective in mind and that your pricing strategy supports your end objective.

Don’t believe the myths that are swirling around about pricing. In the end, price is simply a perception of value. Build your value and charge higher prices. Make sure that you do some testing on your price points or you might be missing out on a lot of profits.

How you present your price can be just as important as the price you choose. Always make a comparison to something large that your customer can understand. Advertise your price only if it’s very low or you can build value into the advertisement.

Although some price gimmicks may seem juvenile and down right dumb, never overestimate the intelligence of the public.

Not only do some price gimmicks work, but discounting can also be a successful motivator...if done correctly.

Lastly, never compete on price, unless you have a cost advantage that is near impossible to duplicate. Competing on price is almost always a losing proposition.

How To Use the Power of Packaging to Double Your Sales

Packaging your products and service can be a powerful marketing technique to move more products and services and add more value. By packaging, I'm not talking about how you wrap up the package. I'm talking about the "package offer" you present to your customer (sometimes called a bundled offer).

To give you an example, not long ago I purchased a vacation to Mexico that included our flight, food, hotel accommodations, and various entertainment specials in one "all-inclusive" package. We had a great time and saved tons of money. Using creative packaging deals can boost sales and impress your customer.

Another great example of this strategy is presented to you nearly everyday at fast food restaurants. When you buy a "combo meal" for your child (which I often do), you are buying a package deal. Instead of purchasing a soft drink, fries, and burger separately, it all comes together in one happy meal package (they even throw in a toy!). Packaging is so common in the fast food industry that 98% of all sales are package sales.

The Benefits of Packaging or Bundling

Assembling multiple products or services to sell in a package not only increases your overall sales but it also...

1. Gives you the ability to sell slow moving merchandise.
2. Automatically up-sells your customers without having to ask for it.
3. Lowers your marketing costs because it allows you to move multiple types of products or services through one advertisement.
4. In a joint venture it exposes your product or service to a new list of prospects.
5. Promotes a higher perceived value to your customer.

The list of benefits are many. Packaging and bundling provides a huge leverage in your business and your marketing efforts.

The Psychology of Combining Products and Services

The idea behind creating packaging deals is to combine products and services together and offering them at a lower price than you would pay if you purchased them individually. Bundling goods at a discount price plays a few psychological tricks on your mind that triggers you to buy. When you see a bundled offer of interest your mind says:

1. "I want that product or service."

2. “I’m going to need an extra unit of that product or service anyway (or, I’m also interested in the additional product or service that’s being offered).”
3. “They’re offering me a pretty good price if I agree to buy more than one unit, so I will end up saving money in the long run.”
4. “I might as well save some money and take the bundled offer right now.”

Remember, marketing is simply a psychological battle that goes on in the mind of a consumer. It’s a fight for balance between price and benefits. The winner will be the option that provides the best balance between price and benefits in the mind of your prospect. In other words, the better value in the mind of the consumer always wins.

What is “Value”?

It’s important to know what value is when developing “packaged” products or services, so allow me to take a moment and explain the true definition of “value.” Value is...

- Always variable depending on the consumer
- Based on perception rather than reality
- A tradeoff between price (the customer’s investment) and benefits (what she gets)

I like to think of value as an equation... $\text{Value} = \text{Perceived Benefits} / \text{Price}$. Now let’s play with the value equation to see how it works in the mind of a consumer.

Scenario 1 — If Price goes up, and Perceived Benefits stay the same, Value goes down.

Scenario 2 — If Perceived Benefits goes up, and Price stays the same, Value goes up.

Scenario 3 — If Perceived Benefits goes up, and Price goes down, Value goes way up!

As a marketer, you always want to position your offer with the value going up. To do this you must either lower your price, increase your benefits, or increase your benefits more than you increase your price. Whatever you do, your value must go up, because that’s how consumers choose you over your competitor.

You may be getting tired of the theoretical stuff, but it’s important to understand this when creating a bundled offer. Why? Because if you bundle your products and services right, you will be able to add even more benefits to your customer at a lower unit price, thus dramatically increasing the value of your offer in the mind of the consumer.

Examples of Packaging and Bundling are Everywhere!

You can see examples of bundling and packaging everywhere. Just look around you when you go out to shop for men’s and women’s clothing. Merchandisers have figured out that people will buy matching belts, ties, scarves, and even jewelry in different stores just to match the outfit they purchased at their store.

That's why you see suits with matching ties and shirts for one low price. Or you'll find women's suits with matching blouses and jewelry for one price.

Amazon.com demonstrates a great example of packaging by offering you the book you have requested and a second related book:

Great Buy

Buy this book with *What Color Is Your Swimming Pool? The Guide to Trouble-Free Pool Maintenance* by John M. O'Keefe today!



+



Total List Price: \$44.98

Buy Together Today: \$31.44



Buy both now!

If you've expressed interest in *The Ultimate Pool Maintenance Guide*, Amazon gives you the chance to buy it together with *What Color is Your Swimming Pool?* for about 30% off the cost of both books. Do you think that Amazon has increased their sales revenues and margins from this type of promotional offer? Absolutely.

Bundling products and services is so powerful that it revolutionized the software industry in the early 90's. Once Microsoft started the era of bundling desktop software, if you were a provider of just one software product you had very little chance of survival. Just ask WordPerfect, Novell (still struggling), Borland, Lotus and a list of other companies that were literally destroyed because they didn't bundle.

Using Joint Ventures to Bundle Products and Services

If you don't have (or can't offer by yourself) multiple products or services you may consider joint venturing to provide additional products or services of other businesses to bundle together with your offering.

For instance, if you are a men's clothing store, you could bundle the services of a local clothing tailor and a dry cleaner to provide a "Perfect Suit" program. The clothing store sells the untailored suit, the tailor fits the suit, and the dry cleaner cleans it. Everyone benefits resulting in more sales and new customers.

Suppose you were a marketing consultant (like me) and you noticed that many of your clients not only had marketing issues, but also bookkeeping and legal problems. Instead of doing a simple referral to other businesses you may consider forming a joint venture and offering a "Small Business Diagnostic" service that all three parties (consultant, bookkeeper, and lawyer) sell to their clients.

How To Develop a "Package Offer"

To develop different package offers, think of the problems that your customers often experience and the potential solutions that you offer to help solve the problem. Then think of something else you may be able to add with the package that costs you little but adds great value.

For instance, the following are a four common problems that customer's of various small businesses face and examples of potential "packages" that might offered to solve the problem.

Example 1 — Service Station

Customer Problem — Auto deterioration from cold winter weather

Package Offer — "Winterization Package"

Winterization Silver Package

1. Flush radiator
2. New coolant
3. Oil change to lighter viscosity
4. New window wipers and fluid
5. Fix windshield cracks

Winterization Gold Package

1. Winterization Silver Package
2. Rust sealant package

Winterization Platinum Package

1. Winterization Gold Package
2. New set of winter tires

Example 2 — Hair Salon

Customer Problem — Need to look your very best for your (or your friend's) wedding

Package Offer — "Wedding Day Miracle Makeover" (for brides and bridesmaids)

Wedding Day Miracle Makeover Basic Package

1. Hair cut
2. Hair wash
3. Hair perm

Wedding Day Miracle Makeover Fashion Package

1. Wedding and Bridesmaid Makeover Basic Package
2. Full facial
3. Nail restoration

Wedding Day Miracle Makeover Supermodel Package

1. Wedding and Bridesmaid Makeover Fashion Package
2. Beauty makeover

Example 3 — Laundromat

Customer Problem — Clean your dirty clothes

Package Offer — “Fresh Family Clothing Service”

Fresh Family Clothing Starter Package

1. Unlimited use of washing machines
2. Unlimited use of drying machines
3. Unlimited use of laundry detergent

Fresh Family Clothing Super Package

1. Fresh Family Clothing Starter Package
2. Unlimited use of ironing room
3. Unlimited use of high speed large steam press

Fresh Family Clothing Ultimate Service Package

1. Fresh Family Clothing Super Package
2. We do washing, drying, pressing for you while you wait in our social lounge (TV, drinks, snacks etc.)

Example 4 — Grocery Store

Customer Problem — You’re hungry!

Package Offer — “Life Cereal Sale Special”

Life Cereal Value Special

1. Two 24 oz. Boxes of Life cereal

Life Cereal Mega Value Special

1. Two 24 oz. Boxes of Life cereal
2. Two more 24 oz. Boxes of Life cereal

Important Packaging and Bundling Principles

Now that you have reviewed these four examples I hope that you get the idea of how to package products and services for maximum value and price. Let’s take a moment and review each of these examples and pick out the important principles that you need to keep in mind when creating a package offer.

Principle # 1 — Each of the three packages offered was a solution to a customer's problem. Don't offer a packaged product or service unless it offers a solution to a problem. Why? Because people only buy things that solve problems they are experiencing.

Principle # 2 — Each offer actually had three unique offers that built off the lower-priced package. Giving the consumer choices is what packaging and bundling is all about. Providing options with increasing value is what motivates consumers to "up-sell" themselves by choosing the more expensive option.

Principle # 3 — The names of the different packages denoted increasing value: silver, gold, platinum or starter, super, ultimate. Notice that each word has increasing value. Also notice that the name of the lowest package denoted value. That's why we started with silver instead of bronze. It says that even the lowest option is valuable.

Principle # 4 — The additional products or services that are added on to the basic package have a low cost to you. The "add-ons" need to be cost effective because the incremental price you are charging needs to provide significant margin to the package.

Principle # 5 — I threw the Life cereal example in for two reasons. One, because it's my favorite cereal and two, because I wanted to show you that you don't have to have a bunch of different products to create a package. You can just add more of the same product to the package.

In fact, just yesterday I purchased two units of potato salad. A single unit of potato salad costs \$2.00 and the double package costs \$3.00. I bought the \$3.00 package, ate the first unit and took the second one home!

Look Around for Packaging Options

Yes, you do have packaging options in your business. You just need to open your eyes to find them. In some way, shape, or form you can create unique packages of your product or service that will solve one or more of your customer's problems.

Conclusion

Packaging creates a higher perceived value by increasing the benefits and lowering the unit price. Examples of packaging and bundling are everywhere. If you don't have enough products or services to create a package offer, consider joint venturing with a company that does. Remember to provide a strong up-sell option in your package by offering multiple options, each progressively more valuable and expensive.

Happy packaging!

Membership Marketing: Turning Occasional Buyers Into Loyal Customers

Not long ago my wife and I closed down a bank account that we had not used in many years. I had tried to persuade my wife for many years that we needed to close the account because we just weren't using it and I didn't want to keep paying fees. But she insisted that we keep it open because she was a "charter member" of the bank and didn't want to lose her privileges.

My wife is very frugal yet she was willing to continue to pay for membership in something that she received no services or benefits from. It was then that I realized just how powerful it is to "belong" to something. It satisfies our deepest needs as human beings to be wanted, loved, and appreciated.

Does Your Company Need to Establish a Membership Program?

I am often asked by businesses if a membership program would be "right" for their company. In response, I offer the following "yes" or "no" membership qualification test. Take the test and see if your company needs a membership program.

Does your company...

- have to conserve its limited resources when providing service to its customers?
- want to decrease customer turnover and dramatically improve customer loyalty?
- need a constant, predictable stream of revenue?
- desire to sell its full suite of services with less effort?
- wish to get the more revenue out of its existing customers?
- aspire to significantly improve its referral business?

If you answered yes to one or more of the above questions, your company could benefit from establishing a membership program. OK, you're probably saying, "There isn't a company in existence that wouldn't say yes to one of the above questions", and that is exactly my point. Every business can benefit from a membership program and should establish some form of membership marketing.

Take a Closer Look at the Benefits

Membership programs provide powerful benefits that will improve your company's performance. Let's take a closer look at the benefits that were just mentioned.

1. **Conserves limited company resources** — Resources are allocated according to the customers' level of membership (i.e. lower membership level = less resources, higher membership level = more resources).
2. **Increases customer loyalty** — Membership provides a sense of belonging to an organization, which breeds loyalty.
3. **Provides a predictable stream of revenue** — Instead of sporadically selling products and services, membership programs provide a steady stream of customers providing a steady stream of cash flow.
4. **Sells more services and products with less effort** — Because slow-moving or less desirable products and services are included in membership packages people are more likely to take advantage of them.
5. **More revenue from existing customers** — Multi-level membership programs entice customers to spend more by moving up to higher levels of the program.
6. **Improves referral business** — People like to tell their friends about a company to which they feel a sense of loyalty.

Types of Membership Programs

When you think of being a “member” of a business most people think of Sam’s Club or country clubs, but membership programs can take on many forms. The following is an example of different types of membership programs, which include a business selling, (a) hard good products, (b) a company selling service, and lastly, (c) a company selling knowledge.

Every business on the planet will fall under one of these business categories so there is something to learn for every businessperson from the following three membership program examples:

Costco — Business and consumer supplies superstore.

Gold Star Membership — Allows consumers to purchase products for personal use at any Costco throughout the world.

Business Membership — Allows businesses to purchase products for business, personal and resale* use.

Executive Membership — Allows consumers and businesses to save money by offering exclusive services such as a 2% reward, business loans, and credit card processing, larger gift certificates for mortgage or real estate transactions, travel benefits and lower prices on check printing.

Hertz — Car rental company

Hertz #1 Club — Private club number automatically fills out your information form, this speeding the rental process.

Hertz #1 Club Express — Available only to Hertz #1 Club members and provides an exclusive checkout counter for express members only.

Hertz #1 Awards — Available only to Hertz #1 Club members and allows you to earn points for every qualifying dollar you spend on business and leisure rentals that can be redeemed for prizes and air travel mileage.

Kennedy Inner Circle, Inc. — Marketing consulting services company

Silver Inner Circle — Receives monthly newsletter, periodic free tele-consulting calls, invitations to “marketing roundtables”, and discounts on information products.

Gold — Includes Silver membership benefits plus monthly taped interviews with marketing experts, exclusive additions to monthly newsletter, longer call-in consulting times, access to special member’s area of website containing newsletter past issues and articles, and receipt of three marketing books during the year.

Gold+ — Includes Silver and Gold membership benefits plus one-on-one and group based tele-coaching, printed materials, additional coaching call-in days, and weekly success-stimulator faxes.

Gold + VIP — Includes Silver, Gold, and Gold+ membership benefits plus three “mastermind group meetings” two days each with personal coaching.

Platinum — Includes Silver, Gold, Gold+, and Gold+ VIP membership benefits plus four mastermind group meetings. This level is by invitation only.

The following are several elements from these examples that are important to a successful membership program. Each company provides different membership levels with more offerings of service, discounts, speed, and accessibility at each higher level.

In the case of Costco, programs are targeted toward different demographic groups with an increasing number of discount options.

In the case of Hertz, the express level increases accessibility and thus speeds the fulfillment process. Also, awards are given based on purchase volume, motivating buyers to purchase more.

In the case of Kennedy Inner Circle, each membership program offers a higher level of accessibility to more in depth information.

Not every membership program has to be multi-level like those in the examples, but they do need to provide an exclusive set of benefits that aren’t available to regular customers. Let’s examine some membership benefit possibilities for various small businesses.

- Dry Cleaner

Basic Membership — 10 % discount on all cleaning

Premium Membership — 10 % discount plus express counter service, pickup and delivery, free alterations

- Certified Public Accountant

Basic Membership — Monthly tax saving teleconference calls, free newsletter

Premium Membership — Teleconference calls and newsletter plus express call-in question and answer service, monthly one-on-one consulting, and monthly mastermind networking meeting.

- Oil and Lube Franchise

Basic Membership — Reminder email service, free complete car cleaning, premium grade motor oil.

Premium Membership — Email service, car cleaning, motor oil, plus free automatic transmission fluid changing, engine cleaning, tire rotation, and one oil change a month.

- Movie Theatre

Basic Membership — 5 movies monthly for the price of three.

Premium Membership — 8 movies monthly for the price of five, monthly movie review newsletter, express window, web-based ticket buying

In every business there are products and services that you can package to provide as premium services in your membership program. It just takes a little creativity. If you only offer one service or product, create more services and package them up to offer in a membership program.

Pricing of Membership Programs

Membership programs have many pricing models and must be tested to determine the right price for your business and clientele. However, pricing your lower membership levels inexpensively is a smart tactic. Your goal should be to convert your customers into members so that they'll begin to feel an affinity to your business.

After your customers have joined, then you can begin to start the up-sell process by providing tempting offers to move up the membership ladder. Look at your first membership level as a “loss-leader.”

For example, it only costs \$10 a year to be a member of Sam's Club. It's free to be a member of Hollywood Video (video chain store). It costs \$25 annually to be a member of my local library. The low membership fees serve to attract people into the program, but because it's not completely free, customers will place a value on their membership and use it.

Renewals: The Key to Membership Program Success

It's one thing to package your services into a membership program and sell it, but sustaining your subscriber base by getting customers to renew is another. If you don't

provide value and keep your promises during your customer's membership, it will be difficult to get them to renew.

To be honest, even if you have kept your promise and provided value it can be difficult to get people to renew. Magazines consistently have this problem. In fact, companies have been established with the sole purpose to help other companies to maintain a high renewal rate.

The key to getting your members to renew is to provide value beyond what was promised and to offer incentives to renew. The incentives should have a low cost to you and a high perceived value from your member. For instance, suppose you offer a paid newsletter service. Your renewal offer might include several free teleseminars or a free discount coupons from a popular vendor that advertises in your newsletter.

Another option to improve your renewal rate is to sell renewals upfront by offering multiple period memberships at a discounted price. For instance, when you offer a one-year VIP membership at your restaurant, up-sell the offer with a second year at a 35% discount.

Locking your customers into multiple period membership programs should be an important goal. Because your customer was willing to buy the first period, they'll be inclined to consider multiple years...if the offer is right. A powerful hidden benefit of locking your customer into a long-term membership program is that you'll also be locking out your competition!

Use Membership Cards

Open your wallet right now and you'll probably see several membership cards. That's how I came up with the membership prices for Sam's Club, Hollywood Video, and the local library. I also have a membership card from my local grocer, health club, and airlines (Continental and Southwest).

Membership cards serve several purposes beyond just holding personal and transaction information. They serve as a gentle reminder for your customer to take advantage of their membership. You can also use a card as physical evidence for proof of membership. In addition, you can use it to mark off visits or purchases of specific product, much like Subway's sandwich card.

You might even consider establishing your own charge card. According to stats from GE Card Services, store credit cardholders will spend at least 50% more each year with that retailer than customers not carrying the retailer's card. Offering a credit card also makes it easier for your members to buy your products by providing installment payments.

Conclusion

Membership programs help to properly allocate company resources, increase customer loyalty, provide predictable revenue streams, sell more products and services, generate higher revenue per customer, and improve referrals. Every business has products and services they can package into a membership program.

Make it easy to enter your membership program and once you have a good membership base, focus on renewing your members to keep them in the program. Use a physical membership indicator to not only improve data tracking, but to remind your members to use their privileges.

Street Marketing for Small Businesses

It's 2:00pm on a Saturday afternoon and you're watching the Dallas Cowboys beat up on the San Francisco Forty-Niners. You faintly hear a knocking at your door but you ignore it because the Cowboys are in the "red zone" and are about to score again.

Again, you hear a knocking at your door and you grudgingly get up to go answer it. Before you open the door you look through your trusty peephole that allows you to see who is bothering you on a relaxing Saturday afternoon. There he is, an energetic-looking young man with a big smile on his face.

You know what's coming next...the sales pitch for something you don't want. But the young man catches your eye because he looks so clean cut. He has a nice shirt on with a tie and looks really happy. Finally, you decide to open the door.

As you do, the young man promptly extends his hand and says, "Hello, my name is Alex Gordon. I am trying to raise money for my college education and to do that I have teamed up with, Dezinger's, the best local restaurant in the area. Dezinger's is offering you over \$500 worth of meals for free. It's really an incredible offer. Can I take a moment of your time to explain it to you?"

You think to yourself, "I've seen Dezinger's. They're giving away \$500 of free meals? Wow! This clean-cut young guy is working to raise money for his education...that's impressive." You say to the young lad, "Sure, come on in."

Welcome to One-to-One Community-Based Street Marketing.

You have just witnessed (in your mind's eye) the power of one-to-one community-based street marketing. How many radio or newspaper advertisements can pull a football fanatic out of his chair, during an exciting football game, to see or hear your advertisement? The answer is NONE.

One-to-one community-based street marketing is powerful and effective because it searches and finds your prospect and delivers your marketing message face-to face. No other marketing medium has that power. Not even direct mail or the Internet.

It is said that consumers receive over 3,500 advertisements a day in one way or another. It is difficult for even the best marketer to cut through that much advertisement clutter. With thousands of advertisements being read, heard, or seen, your prospect can become dazed and confused. Those businesses that take their customers by the hand and demonstrate their value proposition will be the winners.

Most Any Product is a Good Candidate for Street Marketing

Most any common consumable product is a good candidate for street marketing as long as the offer is right. However, products and services that work the best are ones that the consumer already purchases, such as oil changes, haircuts, or pest control.

The following are several popular items that do very well in the street marketing environment:

- Restaurants
- (especially pizza takeout)
- Golfing
- Auto Services
- Video Rental
- Sport Events
- Dry Cleaning
- Children's Recreation Centers
- Movie Theatre
- Car Wash
- Hair or Nail Salon
- Liquid Cleaners

...and many more



Street Marketer Who Recently Came to My Door Selling Cleaning Liquid

Not long ago I purchased a coupon package for a local car wash. The car wash offered me several free washes, carpet cleaning, upholstery cleaning, and even an engine cleaning for only \$25. I knew that I needed to get my car cleaned and I figured I could make my money back in only two visits to the car wash. I bought it.

What are the Benefits of One-on-One Community-Based Street Marketing?

We've already mentioned how effective street marketing is because it cuts through the marketing clutter. But perhaps the biggest advantage is that it is extremely effective at driving customers to the local establishment sponsoring the campaign.

Think about it. Once you purchase a \$25 set of coupons for a service, you're going to use that service to get a return on your dollar. So, in essence, it's more effective to sell your coupons than it is to give them away as free gifts.

Another benefit is that when a new customer carries the coupon into the establishment and presents it to the service person, it acts as a flag to the business to give that new customer(s) the red carpet treatment. When your new customer has a great experience, they will come back again.

Who Walks the Street and Sells your Offer Door-to-Door?

A good college student that needs extra cash is a great candidate for street marketing. Depending on how you arrange the deal with your marketers, the person doing the door knocking can keep up to 100% of the profit! How good is that?

For instance, let's assume you were selling a dry cleaner coupon pack to residents for \$20 and your closing ratio was 30% (not unreasonable for street marketers). It takes your street marketer one hour to hit ten houses in which people are home. As the street marketer, you close three of the ten houses and pocket \$60. I don't know of one single college student that wouldn't knock doors for \$60 an hour.

Strategies for Making Community-Based Street Marketing Work

It's not difficult to make community-based street marketing pay off big if you follow a few important strategies.

Strategy # 1 — Present an Irresistible Offer

The most important element of success for street marketing is the offer. If you can present an offer that is nearly irresistible you will have a high probability of success. If you understand your "total customer value" and your "customer acquisition cost," creating a great offer isn't hard.

If you know these figures you'll know how much products or services you can afford to freely offer and still make a handsome profit on back-end sales (repeat visits, larger follow-on purchases, referrals etc.)

To develop your offer, sit down and write out a list of all your products and services. Now separate the basic products and services from the add-ons. Then start bundling your basic products and services with several add-ons using different combinations.

Strategy # 2 — Maximize Up-sells

Structure the offer for maximum up-sells. For example, offering a free rug shampoo and engine cleaning with a paid car wash forces the customer to pay for a car wash to get their free rug shampoo and engine cleaning.

Hint: When developing your offer (coupon sheet) you need to give away several basic offerings before you start bundling. For instance, if you are an oil and lube service consider giving away three oil changes free of charge, then bundle a paid oil change with other free add-ons. This allows the purchaser to clearly see that there is value even if they just cash in on a few coupons.

Strategy # 3 — Make It a Fundraiser

Consider using your offer as a fundraiser for a local high school. Local fast food restaurants use this tactic often. They allow the student to keep a portion of the proceeds, which shows support for the high school and at the same time giving the fast food restaurant a great reputation in the community.

But the most powerful part of using it as a fundraiser is that it gives residents a different, more powerful reason to buy your services. Who can resist a local high school student pounding the pavement to raise some money so they can have a uniform to play softball?

Another spin on this tactic if you don't want the fuss of setting up a joint venture with the local high school is to use a young college student. In their door approach script have them say, "Hi, my name is David Frey and I'm trying to raise money for my college education." Again, you've now turned a selling situation into a cause-related charitable donation, which dramatically lowers the barrier to purchase.

Strategy # 4 — Team Selling

Form your sales team into small groups of young people that attack a small neighborhood. Just knowing that your partner is on the other side of the street also knocking doors will motivate your sales force. It's fun when the two street marketers get to the end of the street and compare notes (and sales!)

Strategy # 5 — Set Goals

Setting goals is another excellent way to keep your street marketers motivated. Because street marketing is a very results oriented marketing tactic that can be measure on a daily basis, it's easy to set, not only monthly or weekly goals, but also even daily and hourly goals.

For instance, you might set a goal for your marketer to contact 15 homes every hour. Another goal would be a "closing goal" that encouraged marketers to close four out of every ten presentations for a 40% closing ratio.

Once you've developed a set of simple goals that are easy to understand and measure, rank your marketers and post results. The low performers will either be motivated to do better or quit. Both are acceptable results, because you don't want low-performers who aren't motivated to improve.

Don't forget to recognize your top performers with rewards that they consider valuable — whether that's money, a vacation, a picture on the wall, dinner for two, or even a one week sports car rental.

Strategy # 6 — Have a Great Product and Give Great Service

Getting the coupon in the hands of your prospect is only the start. Once they redeem the coupon you must demonstrate high value. If you don't, you've just wasted a lot of money. You see your coupon is just a lead generator, nothing more.

Don't be confused; they are not customers just because they bought your coupon pack. They become customers when they've had a great experience with your product or service so when they come in to redeem their coupon, give them 110%. Make it a real "Wow" experience.



Street Marketer Demonstrating His All Purpose Cleaner on my Carpet and In my Shower

Make a Big Splash In a Small Pond

Many small businesses make the mistake of marketing too big. By this I mean, they take out ads in papers, on the radio, even on T.V that reach large areas, even outside of their market area. Before they know it, their marketing budget is blown and they have nothing to show for it.

Take a lesson from the real estate industry — choose a neighborhood and DOMINATE it. Then move to the next neighborhood. Too many small businesses jump up and down in an ocean and expect to make a wave while they should be jumping up and down in a small puddle where they can make a huge splash. Street marketing is neighborhood and community based. It attacks the small puddles. But after dominating about five or six puddles, you'll start seeing big results.

Conclusion

Door-to-door, community based marketing is more effective at cutting through the marketing clutter than any other marketing tactic in existence. The offer presented at the door by your marketer is the biggest determinant of success. Consider using young adults who are trying to raise funds for college or a worthy cause. Send your marketers out in groups and set personal and team goals for them to achieve. Be ready to give your new customers the red carpet treatment so that they'll stay customers for life.

Using Customer Testimonials in Your Marketing Message to Break Down Fear and Skepticism

Let's face it, today's consumers are skeptical. Can you blame them? With all the marketing hype and sales pitches people receive each day, we are all a bit jaded. However, to make the sale we must overcome our prospect's natural skepticism and create a relationship of trust. One of the most powerful tools in your marketing arsenal is customer testimonials.

It's one thing to toot your own horn. People expect you to sing praises about your own products or services. Because of this, there is an inherent disbelief in any marketing message that comes from you. But when other people, who have nothing to gain from your success, say good things about your products or services, your believability shoots skyward. Providing third-party testimonials do just that and should be a part of your marketing message.

Testimonials and the Magic Power of Persuasion

Testimonials are powerful. They create believability, credibility, and a sense of security for your customer. They help to break down the natural barriers and distrust that most buyers feel towards you or your business. Watch any infomercial and you will see that they are loaded with customer testimonials. Why? Because they work!

Testimonials have the magic power of persuasion. Look at the success of the George Foreman grill. Foreman has sold millions of dollars worth of this product. Better said, the company that developed the grill has sold millions of dollars worth of grills by using George Foreman's testimonial.

People have an inbred automatic response to mimic what other people do. Why do you think television producers play recordings of laughter when a punch line is said during a sitcom? Because they know that it will make the live audience laugh, even if the punch line wasn't funny.

Strange? Even stranger is that the people in the audience know that it's just a recording of fake laughter but producers have found that when the recorded laughter is turned up, the live crowd laughs even louder. It's a natural instinct to mimic what others are doing.

Customers Who Give Testimonials Are More Loyal

An extra bonus is that testimonials will also create more loyalty in your customers. Once people have put their name and reputation on the line by publicly endorsing a product or

service (or person), they will stand behind that decision even if they find out it's a bad one.

*** Sidebar ***

It reminds me of the time when Bill Clinton when “on record” saying “I never had sexual relations with that woman.” Even after overwhelming evidence he continued to deny it until he was forced to admit his wrongdoing.

*** End Sidebar ***

In addition, when you ask your customer for a testimonial, they will feel as though they are helping you and your business grow. Because they feel as though they have a direct hand in the success of your business, they will stay loyal.

Ten Strategies for Successful Customer Testimonials

There's more to obtaining testimonials than just asking your customers for their comments and feedback. If you want to have powerful testimonials that catch your prospects' attention and build a relationship of trust, you should consider the following testimonial strategies.

Strategy # 1: Try to get a testimonial from your customer as soon as possible. This could be the day you make the sale, or within the first week after you make the sale. Your customer will be at their “giddiest” and most motivated to write you a great testimonial during this time period. Don't wait until the honeymoon period is over. Consider having them write the testimonial before they leave your office or store.

Strategy # 2: Always ask your customers to include your unique selling proposition (USP) in the testimonial. For instance, if your USP includes exceptional customer service, same-day installation, and a money-back guarantee then ask your customer to attest to those qualities.

Strategy # 3: Don't ask for customer testimonials in survey requests. Many businesses make the mistake of sending out customer surveys to get feedback from their customers, in addition to testimonials. Your customer needs to have the freedom to stay anonymous and say negative things in your survey, which is opposite of what you're looking for.

Strategy # 4: Have your customers be specific in their testimonials. For instance, if you delivered your product the same day your customer purchased it, tell your customer to include the time that it arrived. If you delivered some kind of outrageous act of customer service have them write specifically about what you did and how it helped your customer.

Strategy # 5: Ask your customer to talk about the struggles they were having previous to receiving the benefits of your product or service. Most likely, the reader will have had the

same or similar struggles and will empathize. This will only make your prospect more interested in receiving the benefits of your product or service.

Strategy # 6: Have your customer state their credentials. This will make their testimonial even more persuasive because their comments will be seen as coming from a credible source. People tend to believe others in positions of perceived authority.

Strategy # 7: Always try to get a picture with them using your product or service. As a matter of fact, try to take the picture yourself so that you know you'll get a good one. Take several and make sure they are showing the benefits of the product or service. Pictures double the effectiveness of your testimonial and bring the testimonials to life.

Strategy # 8: Make sure you get permission from your customers to use their testimonials in your advertising. Thank them profusely and let them know that it is testimonials like theirs that help your business grow.

Strategy # 9: Ask them if you cannot only use their name but the town (suburb) they live in. Addresses, even if it's just a city name, increase the believability of the testimonial. It demonstrates that they are real people who live in the same community as your prospects.

Strategy # 10: Now here is a controversial tactic but it has worked every time for me. Let's suppose your customer procrastinates to send in their testimonial. Call them up and mention that you know they are very busy but that you value them as a customer and their testimonial is important to you.

Suggest that to save them time and hassle, you will draft a testimonial for them and they can make any editing changes they want. Then send it back. Of course, you'll want to send a self-addressed envelope. You get the perfect testimonial and they don't have to do any work. Again, this tactic has worked 100% of the time for me.

Here's a sample letter from the spa industry asking for a testimonial from a customer:

Dear Frank:

Thank you for purchasing your spa at Spa City USA. It was a great experience helping you in your selection process. You were well informed which made our job easy. We wish we had more customers such as you who take the time to make a good decision.

We know you had several choices from which to purchase your spa and we were flattered and grateful that you chose to purchase your spa from us. We consider it an honor when someone shops around and comes back to purchase at Spa City.

From time to time we ask a few of our special customers for their feedback.

We often use this feedback as a testimonial in our marketing material.

Because we had such a pleasurable time with you Frank, could I ask you to jot down a few words about your experience at Spa City and the people that helped you, so that we can use what you say in our marketing material? You would be helping us tremendously in our marketing efforts.

You might want to include specifics such as names, positive incidents, and how you feel today about owning your spa. Again, this will help us as we market our products and services here in the Seattle area.

Enclosed you will find a form to use and a pre-paid envelope with which to mail it back to us.

Thank you so much for your help and for being a great customer.

Cordially yours,

David Frey

This testimonial request letter butters up your customer and makes him feel as though he is really helping out your business (and he is!). It makes him feel special and that his comments will count. It also makes it easy for him to fill out and send back. The easier it is to respond, the higher your response rate will be. Always follow-up a testimonial request letter with a phone call and a letter, especially if it hasn't come back after a couple of weeks.

Always Thank Your Customer for Their Testimonial

If you thank your customer for their testimonial it will increase the good will you already enjoy and confirm the customer's choice for extending their good name and giving you a testimonial. Take a moment to send a personal letter thanking them for their time and effort. The following are a couple of example letters you might use as a guideline for thanking your customer.

This sample letter is designed to go to people who have given you an unsolicited testimonial after purchasing their spa or pool (or your product or service).

Dear Mr. Jones:

I wanted to take a moment to thank you for your kind remarks in the letter I just received from you. Your praise of our store and its people is most gratifying.

It is unusual for someone to take the time to express his satisfaction with a

product or services. It's people like you who make our special effort worthwhile.

I am very pleased that you like your new Maxis spa as much as you do. When I sold it to you, I really believed it would help your back problems and allow you to relax after a long days work. I hope it gives you many years of enjoyment.

Thank you again for your kind words. I'm proud to know I've been of service. If you need anything don't hesitate to call.

Cordially yours,

David Frey

Thanking your customer always tends to improve your rapport and solidify your relationship. Besides, it's common courtesy.

How To Use Customer Testimonials Once You Get Them

It's not enough to receive customer testimonials. Knowing how to use them in your marketing activities is what makes the difference. The following are seven ideas you can use to implement testimonials into your marketing program.

Idea # 1 — Create a "What People Are Saying..." report. I once heard the story of an independent consultant who, after proposing on a project, was asked for his resume. Instead of sending his resume, he made copies of all the testimonials people had sent him (hundreds) and put them in a shoe box and sent them to the company. Needless to say, he got the project.

Create your own "What People Are Saying..." report by putting copies of your best testimonials together in a booklet and giving them to prospects. This will become a very powerful marketing tool for you.

Idea # 2 — Put testimonials on your website. Scatter testimonials from customers all over your website. Many webmasters make the mistake of creating a testimonial page and putting all the testimonials one page. Place testimonials wherever you make bold claims. If you have testimonials pertaining to a specific product, place those testimonials under that product.

Another great area to place testimonials on your website is on the right and left borders. They will be a constant reminder of your credibility. If you have a sign-up page of any sort, consider including a testimonial that talks specifically about what you are asking your visitor to sign up to, whether it be your newsletter or access to special information.

Idea # 3 — Always include a testimonial in your advertising. You'll never see an ad for a weight loss product without a testimonial. Why? Because those advertisers know that people are skeptical of all ads (not just weight loss ads) and testimonials overcome skepticism more than any other marketing tool.

Idea # 4 — In every direct mail piece you send, include a one or two page full of testimonials. This gives automatic credence to whatever offer you are sending. You can make the testimonials a part of the sales letter but from my experience, sending loose leaf pages of testimonials make a persuasive statement.

Idea # 5 — Include customer testimonials on an audiotape. It's one thing to read a testimonial but another to hear a real live person. You can even include the pictures and bios of those people on the tape in your mailer. I know of one marketer who sells information products who includes an audiocassette tape with his sales letter. All the audio tape contains is a recording of customers praising his product. It's powerful.

Idea # 6 — Do joint endorsed mailings. If you have an associate that has customers who might be good prospects for what you sell, ask if he would like to participate in a joint endorsed mailing in which your associate would send a letter to his customers endorsing (giving a testimonial) you and your products and services. In return you send a letter to your customers endorsing your associate's products and services. It's a win-win.

Idea # 7 — Do an endorsed referral letter promotion. This tactic is similar to Idea # 7 but the promotion is done with your customers. Hold a contest of some sort and award prizes (incentives) to those customers who send in the names and addresses of three friends who they know would benefit from your products or services. Then send each of the three friends a letter with the testimonial of the person who referred them. This could give your referral program a jolt.

Start a “Testimonial Drive” Today

Chances are, you have not been diligent in asking for customer testimonials. I would urge you to make a commitment today to start asking for testimonials from 100% of your customers. You can't have enough customer testimonials.

Make a plan today to begin a “Customer Testimonial Drive” and set a goal to obtain 100 customer testimonials within the next three months. Put a thermometer on the wall if you have to, but start today. Draft your testimonial request letter and send it out this week. Then start following up on your requests by phone next week.

Conclusion

Testimonials are a powerful tool in helping you to break down your prospects' skepticism and fear. When customers give you a testimonials, they work to solidify your relationship with them because they have “gone public” with their statement of support for your business.

Ask for testimonials from your customers as soon as they purchase your product or service. Ensure that their testimonial is very specific. Always get a picture of your customer to use with your testimonial. Don't forget to thank your customer for pledging their public support for your business. Find innovative ways to integrate your customer testimonials into your marketing program.

Now go and get some great testimonials!

The Key To Guaranteed Repeat Sales

There is no more customer loyalty! Let's face it, people go where they get the best deal. By that I don't mean the cheapest prices, but the best value for their money. Just because your customer purchased from you once, don't be fooled into thinking that they will buy from you a second time. Even though your customer may have had a "wow" experience with you or your company, they are likely to buy the next time from someone who provides a product as good as yours but that costs a little less or is delivered a little faster.

Since the 70's there has been an explosion in consumer choices. For example, in the 70's there were only four types of milk. Today there are over 20. In the 70's there was only one type of contact lens. Today there are over 40 unique styles. Competition has also become fiercer with the rise in consumer choices. It's hard to find a market (large or small) that doesn't already have multiple competitors battling for their piece of the pie.

Three Types of Customer Relationships

So how do you keep your customers coming back time and again?

To answer this important question you need to take a moment and think about what would keep a customer coming back to a business. Three instances come to mind:

1. The Customer and the Business Have a Positive Relationship

In this instance, the customer has formed a positive relationship with either a person who works for the business or with the business itself. Perhaps they had a great experience and they now have an emotional bond with the business. Unfortunately, unless the emotional bond is nurtured, it dies a fast death — and quite frankly, there are extremely few businesses that nurture their relationships with their customers.

2. The Customer Has Incentive to Continue the Business Relationship

People are human and because of that we are naturally greedy. The principle of greediness is what makes capitalism successful. Companies who reward (bribe) their customers with coupons, points, credits, and bonuses create an incentive-based relationship that crumbles once the incentive is taken away.

3. The Customer "Has" to Continue the Relationship Because the Cost to Change is Too High

This is an instance in which the business has tied its operations into the customer's life or business so closely, that to move to another product or service provider would cause damage emotionally, socially, operationally, or financially. An example of this type of relationship would be a person who is emotionally dependent on his therapist (emotional)

or a customer who has purchased proprietary computer software that isn't compatible with other hardware (operational). I call this type of relationship an "Integrated Relationship" because it extends into the life of a person or into the operations of a business.

Of the four types of Integrated Relationships (social, emotion, operational, financial), the operational relationship is the most powerful. Operational relationships exist when the actual work processes of two businesses overlap. Untangling business processes is a mess and always has a very high switching-cost.

The Secret Key to Guaranteed Repeat Sales

Each of the three types of relationships just mentioned keep customers coming back, but the first two are somewhat easy to break. The Integrated Relationship, however, has severe penalties for breaking the relationship and, therefore, forces the customer to come back again and again whether he likes it or not. This is the ultimate customer relationship and the secret key to guaranteed repeat sales.

Look at most highly successful companies and you'll find that they have developed Integrated Relationships with their customers. The following are three excellent examples of companies that have created Integrated Relationships.

1. Campbell Soup

Campbell's Soup has developed a successful vendor-managed inventory (VMI) program with its customers. A VMI program provides continuous replenishment for its customers by monitoring the customer's inventory levels (physically or via electronic messaging) and makes periodic re-supply decisions regarding order quantities, shipping, and timing. In effect, Campbell Soup has literally taken over the entire replenishment function for its customers.

FedEx

FedEx installs computer terminals in many of their customer's businesses that help to determine shipping requirements, track shipments, and even integrates into the customer's inventory, accounting and order management system to automate the returns process. This literally forces the customer to use FedEx for their express mailing needs.

2. CHEP

You've probably never heard of this company (see CHEP.com). They were my arch nemesis in one of my former careers. CHEP is a wooden pallet management company that manages the flow of pallets between suppliers and customers. They continue to grow unchallenged. Why? Because their "system" of managing pallets is so tightly integrated into their customer's operations that their customers would experience a serious

disruption in their business if they moved to another provider. (If you enter a Sam's Club you'll see the blue CHEP pallets everywhere.)

What is the common thread between these three companies? It's the high level of integration into their customers businesses. That's what has made them monopolies. Customer switching-costs are too high to not use them.

How Do You Create An Integrated Relationship In Your Business?

Now that you know the key to forcing customers to do business with you, how do you create that same situation in your business? You don't have to be the Campbell Soup, FedEx, or CHEP in your industry; all you have to do is create the same type of Integrated Relationship they have created with their customers. To do this you must provide a unique offering and find ways to extend your operations deep into your customer's business.

1. Provide a Unique Offering

Providing a unique offering attracts customers to you. Being unique will compel your prospect to consider your product or service above all others. Eventually, your uniqueness will differentiate you and becomes the reason your product or service is chosen over another.

2. Integrate Your Product or Service into the Life or Business of Your Customer

Develop a product or service (if you don't already have one) that you can integrate socially, emotionally, operationally, or financially into your customer's life for business. This means that you need to develop new ways to extend your product or service into your customer's life or business.

*** Sidebar ***

During the Internet gold rush I lost a ton of money on the Dot-Com company named Webvan. Webvan spent a huge sum of money creating massive automated warehouses to deliver groceries to people's homes. The company eventually went down in flames. I always thought that Webvan might have survived if they had extended their system into the customers' kitchens (rather than just their personal computers) by creating a device that attached to the door of the consumer's refrigerator that allowed them to reorder groceries electronically without going to the Web. Hey, but what do I know.

*** End Sidebar ***

Questions to Ask Yourself to Jumpstart Your Creative Thinking

The following are questions that you can ask yourself in each of the four areas of Integrated Relationships that will help give you ideas about what you can do to create an Integrated Relationship with your customer.

Operational

1. Do you have a technology that you can deploy into your customer's business?
2. Can you take over or manage a portion of your customer's business operations?
3. Can you house or manage your customer's data or assets at your place of business?

Social

1. Can you get your customer to be a public poster child (i.e. provide a public testimonial) for your business?

Hint: An easy way to do this is by writing articles and submitting them to trade publications about how your customer solved their business problem with your product or service.

2. Can you create a brand so "cool" or popular that to not use it would be embarrassing?
3. Can you present an award to your biggest customer(s) (or target prospect) and announce it to the industry?

Financial

1. Can you offer a program that requires a large upfront investment that delivers products or services over time?
2. Can you offer your significant customers an opportunity to financially invest in your business?
3. Can you lock your customer into a long-term contract with penalties attached for breaking the relationship?

Emotional

1. Can you hire influential people in your industry (i.e. recognized industry experts, high-level executives in big companies, popular service professions) that already have very close relationships with target customers?

2. Can you provide your customer with so much support (i.e. advice, attention, help) that they can't do without you?
3. Can you align your product or service with that of an existing, highly-popular product or service?

Examples of How to Create an Integrated Relationship

The following are several examples that will help to clarify how to create an Integrated Relationship with your customer. By the way, you don't have to be a big business to make this strategy work. And remember, any one of these strategies alone may not create a high switching-cost, but combined together they may create a formidable cost to your customer.

Example # 1 — Virtual Assistant (a person providing online secretarial services)

House your client's records and files in your home.

Client Switching-Cost — They run the risk of getting their files messed up.

Build and host a website for your client.

Client Switching-Cost — They have to move their site to a new hosting provider.

Know the details of your client's processes.

Client Switching-Cost — They will have to train someone all over again.

Know all your client's passwords.

Client Switching-Cost — They will have to change all their passwords.

Maintain all your client's financial data on your computer.

Client Switching-Cost — They will have to move all their detail data somewhere else.

Example # 2 — Print Shop

Maintain all your customer's original documents and forms.

Client Switching-Cost — Your customer will have to recreate his forms with a new printer.

Deliver your customer's documents to their place of business.

Client Switching-Cost — Your customer will rely on this service and won't want to give it up.

Create a private web-based ordering portal that remembers previous orders and preferences.

Client Switching-Cost — The customer will lose the ease of personalized ordering.

Carry your customer's forms in inventory for fast delivery.

Client Switching-Cost — The customer will now have a significant lead-time to get their forms.

Other Integrated Relationship Examples to Consider

The following are a few more examples of little “hooks” that can be created to construct a high switching-cost to the customer. Remember, the more personalized and intrusive your services are the harder it is for your customer to switch to another provider. For each example, think about why the switching-cost would be high.

Dry Cleaner — Create a home pickup and drop-off service in which your customer uses a personal “dirty clothes basket” in their home that you have provided for them.

Corporate Personal Trainer — Create a personalized weight-loss program and weekly accountability meetings for corporate clients.

Lawyer — Offer an annual long-term, fixed fee, legal advice service that people pay for up front.

Restaurant — Prepare meals for businesses onsite and deliver to offices (so employees don't have to go to lunch).

Child Care — Provide an internet-based camera system with email and pager alert for each parent (provide a free pager to each parent).

A Personal Example In My Own Business

The Integrated Relationship strategy has hit home with me several times over the past year. I use www.1ShoppingCart.com for my online businesses. Their system provides me with a number of services such as:

1. List management
2. Merchant account integration
3. Advertisement tracking
4. Affiliate program management
5. Autoresponder service
6. Digital product downloading
7. Sales reporting

Over the past year, 1ShoppingCart.com has gone through many growing pains, which adversely affected my Internet businesses. There were a few times that I wanted to give up and go somewhere else, but the sheer effort required to separate my web businesses from their system forced me to just grin and bear it.

Fortunately, they have improved their services immensely over the past year, but the fact remained that I HAD to continue my service with them. The switching-costs were just too high for me. It would have taken me weeks to recover and would have cost me a lot in lost revenue. They are in an enviable position. Their business has become a toll booth for me in which the cash register rings every month.

Conclusion

Take some time to brainstorm how you can create Integrated Relationships in your business. Think about how you can extend your products or services “into” your customer’s business so that their cost to switch to another provider is overwhelming. Take some time to ask yourself (or your employees) the questions that I’ve shared with you and I guarantee you’ll come up with some worthwhile ideas. Remember, the most powerful relationship is one in which you and your customer’s business processes are intertwined, so focus on creating Integrated Relationships.

Lead Generation: How to Flood Your Small Business With Hot Qualified Prospects

NEWSFLASH! The number one issue facing small business owners today is not having enough qualified prospects.

OK, so that's not such a big newsflash.

Every small business owner would like to have more high quality prospects, but most either don't have the time or just don't know how. There are a myriad of ways to generate leads and each has its own merits.

In this article I will share with you what I have found (after years of experience) to be the most powerful lead generation system in existence. I call it the "Ultimate Lead Generation System" or The System for short.

Benefits of The System

The reason I call this the "Ultimate Lead Generation System" is because it contains all the qualities that the "ultimate" lead generation system should have? It is one that . . .

1. Requires little manual effort to effectively run it — it has the ability to be put almost entirely on autopilot.
2. Generates names, addresses, and even email addresses (80% of the time) of people who are interested in knowing more about your specific product or service.
3. Gives permission to you to contact them and give your best sales presentation about your specific product or service.
4. Creates a positive relationship of trust and generates a perception that you are "the" authority in your industry about your product or service.
5. Generates predictable results. The system works like a radio volume control that increases your business when turned up and maintains your business when turned down.

The System does all this and more, which is why I call it the ultimate lead generation system.

Using Psychological Triggers to Make People Respond

Generating hot qualified prospects is, in fact, a simple system based on human psychology. People are motivated to action by simple psychological triggers:

Trigger # 1 — People are naturally curious and will go to great lengths to know information that other people don't know.

Trigger # 2 — People are natural consumers. If you take the risk away from taking action, people will be more apt to respond to your offer.

Trigger # 3 — People are turned off by traditional sales-based advertisements. They don't want another sales pitch. People want good useful information that will benefit them as consumers (and in their quest to get a great deal). In fact, people are seven times more likely to read a traditional news oriented editorial style article that they are an advertisement.

Trigger # 4 — People will sit up and pay attention to things that directly affect them. For example, people suffering from arthritis will find information about arthritis interesting (and will read everything they can get their hands on about arthritis), while those who don't suffer from arthritis will not be interested in the least.

Trigger # 5 — People can't resist a free offer. It's the oldest, most worn out offer in the books; however, there is no risk in responding to something for free. The highest response rates are from free offers — always have been and always will be.

Each of these psychological triggers compels the average person to take action. Using these triggers in a powerful small business “advertorial” (a cross between an advertisement and editorial article) advertisement will bring in high quality leads.

The Five-Step Lead Generation System

Follow these five steps closely to develop your business' “Ultimate Lead Generation System.” Each step is significant, so take the time necessary to do it right.

STEP 1: Find Out Why People Buy From You

List the three most compelling reasons why your customers buy your product or service. Take the time to ask your salespeople and even your customers to find out the true problems they are trying to solve when customers buy from you.

STEP 2: Create a Special Report

Your special report should provide “insider” information that the average prospect would not know. It should be highly educational and should NOT contain “sales” information. Your special report could be a written report, an audiocassette, a video, or a CD-ROM.

Create an exciting title for your report. The best pulling titles (from my personal experience) start with “How To,” use numbers, and are framed to avoid the fear of loss. For instance, “How To Avoid Six Common Income Tax Mistakes that are Costing You Thousands of Dollars.”

STEP 3 — Develop a Direct Response Advertisement

Create a small ad that looks just like a newspaper article that includes the following elements:

Element # 1. A strong compelling headline. Hint: Use the same headline as your special report.

Element # 2. Identify the problem in the first sentence. For instance, “85% of Chicago’s small business owners are losing thousands of dollars every year by making dumb income tax mistakes...”

Element # 3. Announce the solution to their problems by offering your special report. You might say, “Recently a new special report was released that identifies what these income tax mistakes are and gives a simple step-by-step explanation about how to avoid them.

Element # 4. Tell people how to get your report and what benefits they’ll receive by acting immediately. For example, “Stop making these mistakes and save yourself thousands of unnecessary tax payments right now by calling 000-000-0000 and requesting your special report right now.”

You can elect to offer your report for free, which will increase the number of leads you receive. Some of those leads may just be “tire kickers.”

The only way to avoid this is to make it a little difficult for your prospect to respond. Charging a small fee for your special report will ward off some freebie seekers but I’d rather deal with a few tire kickers then lose some potential customers.

STEP 4 — Set Up Your Response Mechanism

Prepare to receive a lot of leads by developing a response mechanism that logs all leads and tracks where they came from. The worst mistake you can make is writing a hot report, running a great ad, and then losing your precious leads.

Use a toll-free, direct response phone system to capture names and addresses. The telephone makes it easy for your prospect to respond and using a toll-free number lowers the risk of loss for the prospect. It also allows you to handle many incoming calls simultaneously without any effort on your part.

I recommend using Automate Marketing Solutions (www.automatedmarketingsolutions.com/hotlines) for your toll-free line. Their system was developed specifically for managing lead generation programs. (Tell them David Frey sent you — I use them personally.)

You'll need to create a phone script to welcome the caller, repeat the offer, and invite them to respond by leaving their name and address. I always make a second offer for an extra free gift that I can email to them to get their email address.

Include the words "free recorded message." This lets the caller know that they won't be getting a sales job when they call, which again, decreases the risk of responding.

STEP 5 — Set Up a Follow-Up Fulfillment System

Suppose you've run your lead generation advertisement and calls are coming in requesting your free report. How do you manage all your new prospects? Imagine if you are going to send them three to five follow-up marketing pieces? It will soon become a nightmare if you're not careful.

I highly recommend using ACT Contact Management System to manage your leads. It is not the only software that can manage your leads, but it is the simplest. And it also has a feature called, "Activity Series" that is extremely powerful and keep your entire marketing program organized and simple to manage.

The Activity Series allows you to set up a series of marketing activities performed at specific times. For instance, after you have received a lead you will send out your special report immediately. You might call the prospect in two days. You then might send a follow-up postcard in five days and finally send a sales letter with a spectacular offer in ten days.

Once you've set up your Activity Series you simply attach it to your new lead and the software does the rest. The next morning you arrive and select the task list and it will tell you all the marketing activities you have to do that day for all the prospects you're managing. It's poetry in motion!

A High School Kid Can Do It!

If you've set up your system using AMS and ACT your system will nearly run itself. In fact, I have clients that have high school kids running it. Once it's set up and running, anyone can manage it.

Here's a typical scenario...

The direct response ad is run in the local community newspaper. Prospects respond and leave their name and address on the AMS system. The next morning AMS sends you an email containing all your fresh, hot leads.

You import them to ACT and attach the appropriate Activity Series to them. The operator then selects the "Task List" in ACT and prints out all the marketing tasks to be completed that day.

That's it! That's all there is to it. After the ads are developed and you know which ones pull best and you've developed your follow-up marketing materials you can hand the system over to your lowest level assistant for them to manage.

The Magic Is In the Follow-Up

In the system that I have just presented to you, generating leads is the easy part. Converting the leads to cash-paying customers is the tricky part.

You must follow up immediately, persistently, consistently, and persuasively. DON'T set up and kick off your lead generation system without first putting some real thought into your follow-up marketing system.

Use telemarketing, postcards, sales letters, email, and voice broadcasting couple with powerful, juicy, irresistible offers in order to persuade your prospect to become your customer.

The System Can Be Used With Any Advertising Medium

Let me clarify a common misperception that many people have. You can use any type of marketing medium to generate leads — radio, cable TV, voice broadcasting, signs, the Internet, etc.

In fact, one of the best lead generating efforts using The System that I have every implemented was for a company that participated in a lot of trade shows.

We created a large sign that said “FREE SPECIAL REPORT! Hot Tub and Pool Buying Secrets Revealed.” We posted the sign in the booth and had a sign-up sheet for people to leave their name and address, which we would use to send them the report.



TRADE SHOW BOOTH BANNER

The booth was half the size of its competitors. We ended up getting three to four times the amount of leads as the “big guys” and converting 20% of those leads!

Some of the most effective radio spots ever done were ones that offered a free audiocassette to the first 50 callers. It generates amazing results!

Today, I will never create a radio, television, or print ad without offering a free special report. It's my opinion that if you have not gotten the name and address of your prospect from an ad, it's a colossal waste of advertising dollars.

Spend Your Precious Marketing Dollars On Qualified Prospects...Not Everyone and Their Cousin!

Not long ago I watched a Disney commercial that gave away a free video. The commercial showed all the Disney characters in the background but the picture of the video and the toll-free number never left the screen.

The narrator of the commercial told the viewing audience all the interesting information that the video contained and that it would answer all our questions about a Disney vacation.

It was a spectacular commercial and, most likely, experienced spectacular results. You see, Disney allocates some of its marketing dollars to airing their "lead generation" commercial in the vacation decision-making months of January through March.

After collecting hundreds of thousands of leads, they then spend most of their marketing dollars trying to convert their leads into customers.

Compare this to some big companies that just "spray" their commercial over the airwaves and "pray" that someone comes into or calls their business.

I refer to this method of advertising as "spraying and praying." Big companies have the marketing budgets to do this but small businesses don't!

Invest the majority of your precious marketing dollars in converting qualified prospects, not blasting your marketing message to the masses.

Any Business Can Use This System

One of the most frequent comments I hear from business owners is, "This probably works great for your business but we're different. This won't work for us."

Ridiculous!

The System will work in most any business that sells a product or service. If your business doors are still open it's because you are solving a problem. People exchange their money for your solution. Every viable business solves a problem.

Take a moment and think about the problem that you are solving in your business. It may be helping someone look or feel better, helping people to save money, or making something easier for someone to do.

The key to The System is offering special information that helps people to avoid pain or to achieve gain. If you can do that, The System will work for your business. Just take your blinders off and think about what problems you solve and the rest will fall into place.

Improve and Expand The System!

If your lead generation system is now running on autopilot, start analyzing your results to see how you can improve. Can you tweak your headline for a higher response rate? Will a different follow-up marketing piece provide more impact?

Can you provide a special offer to capture email addresses so that that allows you to setup a follow-up email autoresponder series?

Continue to improve your results by looking at what others are doing, implementing slight changes, and tracking the results for improvement.

Now once you've found what works, expand it. Widen your advertising to other mediums and markets. Step on the gas and flood your business with more hot, qualified prospects than you've ever had before.

Charity Marketing: Growing Your Business Through Charitable Giving

Many savvy small businesses are affiliating themselves with charities to market their businesses. Not only is it a primary means for developing a powerful network but also it helps others in the process.

People like to associate themselves with businesses that support causes, which help disadvantaged people in a meaningful way.

Don't think that charities are oblivious to your motivations. Most charities today understand your secondary purpose for participating in charities and are experienced at helping you receive a return on your charitable investments.

In Which Charity Should I Participate?

Choosing a charity is sometimes confusing. Each has its own demands on your time and a variety of different positions in which to contribute. The following are three criteria you should consider when seeking out a charitable organization with which to partner.

Criterion # 1 - Look for charities that you believe in and to which you have some affinity. Not only will it be more fun, but also you'll be happier giving your time and means.

Criterion # 2 - From a business standpoint, look for charities that will give you meaningful exposure to a large number of influential people.

In my corporate consulting days most of the partners sat on the boards of various charities with other business executives. You'll also want to volunteer your time in a position that will show your talents and skills.

Criterion # 3 - If you are sponsoring a charitable event, try to choose one in which your target market would participate. For instance, if you run a senior living community, consider getting involved with charities for retired veterans. If you manage a sporting goods store, consider sponsoring a little league baseball team.

Criterion # 4 – Does that charity promote a religious, political, or social agenda that is questionable or controversial in any way? The last you want is your business' reputation to be soiled by associating with a controversial charity. In addition, make sure you check out the charity's history to be sure it has a clean slate.

Use Publicity to Associate Your Name With That Of the Charity

Linking your name with the charitable cause is an important part of charitable marketing. Even if you are participating in a charity for altruistic reasons, there's no reason why you should not benefit from the resulting positive exposure. Here are some ideas to maximize your exposure:

1. Publicize your donations of goods or services to charities by sending press releases and photos to the local media.
2. Include your charitable involvement in your marketing materials such as newsletters, brochures, signs, displays, advertisements, and commercials.
3. Get involved with high-profile causes that attract the media's attention.
4. If you have given significant support to a program, ask that it be named after you or the name of your business.
5. Give away information about your charity as a part of your business transactions such as placing pamphlets in your retail outlets, having employees wear clothing or pins and buttons publicizing your charity, or placing charity information with your product when it ships.
6. Lastly, be sure to ask your charity to recognize your support in their publicity efforts.

Market Your Products and Services To The Constituencies of Your Charity

Most charities have thousands, even millions of people that either belong to the charity or who have some type of affinity with your charity. These people make excellent prospects for your products or services because of your indirect association with them.

Use these ideas to sell more of your products and services to your charity's affinity group:

1. Direct market to the employees, clients, members, family members, and any group that is directly associated with your charity. Make this group one of your niche markets by creating a marketing program tailored to their wants and needs.
2. Advertise your products and services in the communication vehicles of your charity such as newsletters and magazines.
3. Offer special discounts and targeted promotions to people who are associated with your charity.
4. Consider offering a percentage of the sale of particular products or services as a donation to your charitable cause.
5. Develop a 'membership program' or a 'preferred customer program' or even a 'buying club' for constituents of your charitable cause by offering special benefits to members.

Invite Your Charity to Market Your Products or Services

If you want to put your marketing in overdrive and multiply your charity marketing efforts consider inviting your charity to market for you in a way that you and your charity receive a significant benefit.

Idea # 1

Invite your charity's members to sell coupons for your business and keep a percentage or the entire amount of the proceeds. A good example of this would be to allow local high school band members to sell coupons to the neighborhood that you service. Auto repair shops, chiropractors, beauty salons, massage therapists; fast food restaurants can all take advantage of this tactic.

Idea # 2

Designate specific products as 'charitable' or 'cause-related' products that, when sold, financially benefit your charity. Invite the charity to promote these products. For instance, if you own a barbershop, a portion of the proceeds from all haircuts done on Tuesdays could go to your charity.

Idea # 3

Invite your charity to sell admission tickets to a special sale, celebrity appearance, or grand opening to build traffic for your business. Allow the charity to keep all the proceeds, while you benefit from the increased traffic.

Idea # 4

Create 'packages' during special times of the year such as Easter, the Fourth of July, or Memorial Day that can be donated to your charity or even sold to them at cost. They in turn can resell the packages or you can sell the packages and give a percentage to your charity.

Partner With A Charity to Target a Niche Market

Charities, like businesses, are interested in building their membership base. The best way to do this is through marketing to specific niches that are inclined to develop an affinity with your charity.

Partnering with your charity to market to a niche will bring new customers to you and new members to your charity.

For example, suppose you owned a fitness center. You could partner with a health related charity for senior adults by doing targeted promotions offering them free health classes in your fitness center.

Using your name and the name of your non-profit charity in your promotion will lend credibility and breed trust in your offer.

If you manage a financial planning firm you could partner with the American Association of Retired Persons and provide free tax consultations at the local library.

Or suppose you invented a product such as the mentholated candle (visit www.vaporcandle.com). You could partner with the local health clinic to jointly promote flu shots and your candle product.

Create a Co-op Business Venture With Your Charity

Taking the idea of charity partnerships a bit further you may consider establishing a full-time commercial venture with your charity. Both parties would provide specific resources to run the venture.

For example, you could provide the financial funding and the charity could provide the staff, expertise, and equipment. Although there are a lot of legal and tax issues to address with this strategy, many such ventures are being established with success.

Don't Forget The Networking Opportunities

Perhaps the biggest advantage, from a business standpoint, to be involved with a local charity is the opportunity you'll have to network with other like-minded professionals.

If you are an independent professional such as a consultant, C.P.A., lawyer, insurance agent etc., this may be the primary source of business for your firm. Make sure you put your new friends on your networking list and make it a point to keep in close contact with them.

Send thank you cards, meet for lunch, make brief phone calls, remember birthdays, and include them in your newsletter to stay in touch. Make sure that you attend meetings and events where other professionals will be. Volunteer to sit on boards or committees when time permits. You might even consider urging your employees to become involved in charitable networking activities to extend their sphere of influence.

Conclusion

Although this article has been about building your business through charities. Your primary motivation should be to help other people. We should all leave this world a better place. Hundreds of opportunities exist for you to make a difference in your society.

My wife and I are personally involved in a charity called Families Supporting Adoption. We have two of the most beautiful children in the world that joined our family through the miracle of adoption. We have started a non-profit website for people who are involved in adoption to share their heartfelt stories of successful adoptions.

When I was a college student I chaired the 'Gifts From Santa' program, which sent gifts purchased by students to servicemen serving overseas. I was once a young serviceman who served overseas during several holiday seasons and have experienced the loneliness of being away from my family. It was my small way of giving something back.

My wife and I have established our own little special charity for a family in Bolivia that has children with severe medical challenges. Believe it or not, our dollar goes a long way in a foreign country. This one activity has been a great blessing to our family and theirs. In fact, we probably benefit from this charitable act more than our Bolivian family does.

Everyone has a potential affinity with a charitable organization. Search one out this holiday season and enjoy the sweet feelings you'll surely receive from helping someone else. And **don't feel ashamed to profit from your charitable giving.** Hundreds of charities are searching for special businesses to help them in their cause. Find them and lend your helping hand.

Bumps, Up-sells, Cross-sells, and Down-sells

Too many small business people spend inordinate amounts of time and money trying to increase their profitability by attracting new customers, when all along they're allowing a goldmine of profits to slip by right under their nose.

What is a “Bump?”

Yes, on each and every transaction you have the opportunity to increase your margins dramatically with a simple “bump” or “up-sell.” Bumps are offers made at the point of sale by giving a simple suggestion.

For instance, my son and I go to McDonald's every Saturday morning. He likes to meet new friends and play in the children's recreation area, and I like to sit down and read a book. I always order a regular breakfast and each time I go to order, the counter person asks me if I'd like to have the “big breakfast” instead for only a dollar more. This is a good example of a bump.

Bumps Add Up!

Although it only amounts to an extra dollar in revenue for that order, on an annual basis McDonalds rakes in millions of dollars based on that one simple suggestion. You see, an important marketing principle to understand is that when people are in the act of buying something, they are in the buying mood and are highly susceptible to buying more.

This is especially true if you're giving a related offer. Why wouldn't your prospect want to buy more of what they've already decided to buy, especially if they can do so at a heavy discount?

Nine Simple Ways to Create a Bump

There's a bump for everything — you just have to be creative. The following are nine ways to create a bump:

Bump # 1: Unbundle your product or service and offer one of the pieces of your bundle as a bump.

Example: Unbundle a training kit and offer one of the CDs when selling the training kit.

Bump # 2: Offer instructions on how to use your product on video, CD, or a manual.

Example: An instructional video when selling a new lawnmower.

Bump # 3: Offer additional tools to make your product or service easier, faster, and simpler.

Example: A hands-free car adapter when selling a cell phone.

Bump # 4: Offer a low-priced complimentary product.

Example: A hand shovel when selling a full-sized shovel.

Bump # 5: Offer an extra unit of your product or service.

Example: Two pans instead of one.

Bump # 6: Offer something to clean your product.

Example: Lens cleaner when selling sunglasses.

Bump # 7: Offer a “secrets of” special report.

Example: Secrets of Do-It-Yourself Beauty Makeovers when selling a haircut.

Bump # 8: Offer a consumable product.

Example: A set of VCR tapes when selling a VCR machine.

Bump # 9: Add extra shipping and handling.

Example: Add a shipping and handling fee 30% above the actual cost.

The Importance of Scripts When Bumping Customers

Scripts are essential for bumping customers. Your script should be a simple suggestion made to the customer at the point of sale. After deciding on your bump, create a script for your employees to use. Make the script simple so that your lowest level employee can use it effectively. More than one or two lines usually tend to confuse employees (especially lower level associates).

Now that you have a script and you're comfortable that it's working, weave it into your business process. By this I mean, put measures and controls around it to make sure it's happening and being delivered effectively.

You might do this with periodic mystery shoppers or simply calculating a percentage of bumps by employee and charting it. When you see the bumps-per-person go down, it's a flag that something isn't right.

You'll be amazed at the power and the profitability of a simple suggestive bump. Now on to up-sells.

Creating Profits Out of Thin Air Using Up-sells

Up-sells are offers made to customers for larger, more expensive products and services. Many business people think up-sells are bumps, but in reality an up-sell is the process of

persuading buyers to purchase either a premium version of the same product or an additional premium package of products or services.

The key to effective up-selling is in the “value quotient.” The value quotient states that $\text{Value} = \text{Perceived Benefits} / \text{Price}$. When price stays the same and the perceived benefit goes up, value goes up. The process of up-selling attempts to increase the perceived benefit more than the increase in price, resulting in an increase in value and hopefully a successful up-sell.

Let me give you a few examples. Suppose your customer enters your hot tub store and wants to buy a \$3,000 hot tub. As an experienced up-seller your next move should be to introduce them to the \$5,000 model and by explaining all the added benefits of the premium model and make an offer that includes better payment terms (i.e. for only \$15 more a month you can own...) and a host of additional accessories as a free gift (stuff they would have purchased with the smaller hot tub).

The goal is to add so much value that your offer becomes irresistible. But don't get greedy. As my friend Brad Anton once said, “Bulls make money, bears make money, but pigs get slaughtered.”

Up-selling to a Package of Products

Perhaps you have a higher priced product or service package (and I hope you do). Why not offer your customer the entire package? The following are a few examples of single products and potential packages:

- Oil change -> Total Engine Service Checkup Package
- One Video -> Monthly All-You-Can-View Video Continuity Program
- Tax Return -> Comprehensive Personal Financial Analysis
- Dinner -> Multi-Item Coupon Sheet
- Hot Tub -> Premium Hot Tub
- Vacation Package -> Hotel Upgrade + Additional Activities

The idea is to create higher priced-upgrade packages that are offered at a discount of what they would normally cost.

As with bumps, your up-sell strategy should be preplanned by developing up-sell scripts and creating incentives for your salespeople to close the up-sell offer. Put some thought to your incentive program because without it, your up-sell program will fail.

Other Ways to Offer Up-sells

There are many ways to offer up-sells other than in person. A tricky way to offer an up-sell on your website is to send your visitor to an up-sell webpage after they have clicked on the “Buy” link. On this page you can place a short sales letter upgrading them to the

premium version of what you're selling or simply selling an additional but complimentary product.

If you're using direct mail you can put an up-sell offer in a second envelope that goes inside the main envelope. This creates intrigue and separates the main offer from the up-sell offer.

Every time someone buys from you, why not include a sell sheet or catalog inside the product package that you are sending to your customer? This allows your customer to look over and purchase even more products from you. If they've bought from you once they are likely to do it again.

Once your prospect has purchased from you, put them on a scheduled follow up direct mail program that triggers a direct mail letter to be sent at preset time intervals. So let's suppose your customer purchased a lawnmower from you. After the purchase they will get an offer for an additional bag one week after the sale, an engine cleaner the second week, a mower cover the third week — you get the idea.

The Art and Science of Effective Cross-selling

Cross-selling is similar to up-selling; however, it happens over a longer period of time. Another word for cross-selling is “back-end selling.” If you've ever heard of the term “back-end,” then you already know about cross-selling.

Usually cross-selling to your customer comes after you have established a relationship with them over a period of time and they have purchased one or several products from you already.

To set up your cross-selling system you should start by developing a cross-selling list. This will be a one-to-many list, which identifies all the products you carry that compliment (or that someone would be interested in) one product. Once that list is done then you move on to the next product.

Examples of Complementary Cross-selling Lists

If I sold business opportunity courses such as Profiting from Real Estate, my cross-sell list might contain:

1. Information Marketing Course
2. Internet Marketing Course
3. Stock Investing Course
4. MLM Marketing Course

If I sold marketing courses my cross-sell list might include:

1. Copywriting Mastery Course

2. Referral Marketing Course
3. Direct Mail Marketing Course
4. Print Advertising Course
5. Free Publicity Course

If I were a CPA and I sold tax return services my cross-sell list would include:

1. Bookkeeping
2. Personal Financial Advisory
3. Life Insurance Investments
4. Asset Protection Consulting
5. Will and Trust Consulting

If I were a pest control company other services I would cross-sell would be:

1. Tree Cutting Service
2. Lawn Care and Maintenance Service
3. Landscaping Service
4. Small Home Repair Service
5. Mosquito Repellent Systems

What Happens If You Don't Have Other Complimentary Products or Services

A common problem is business owners who sell only one product or service and don't have anything to sell as a back-end. If that describes you then you should either be licensing other people's products or developing joint ventures with owners of businesses that offer complimentary products and services.

You see, your customers are loyal to you and trust you. They would rather pay for a home repair done by you even though you do pest control than from someone who does home repair as 100% of their business.

Your relationship with your customer has value and that value is called "customer equity," much like the equity you have in your home. Take advantage of it by consistently making complimentary offers to your good customers.

Down-selling — The Little-Known Psychological Trick that Results in Hefty Profits

Down-selling is based on the fact that if people buy respectable amounts of your high priced product or service, they'll buy lots of the same (or similar) product or service at a much reduced price.

Haven't you ever wanted to purchase something but you just couldn't bring yourself to open your wallet or purse and give up the money? What if at that point you were offered a slimmed down version of that product or service at a much reduced price? The average buyer would jump right on it. That's the down-selling concept.

Robert Cialdini, Ph.D., in his book, Influence: The Psychology of Persuasion, noted that people are magnetically attracted to a lower priced version of a product or service (and more willing to purchase it) once they've been exposed to a higher priced product or service in which they've shown interest (as compared to those who were just exposed to the lower-priced product or service).

If They Don't Take the Bait — Lower the Gate

Always offer the higher-priced, "bells and whistles" version of your product or service first. If your prospect doesn't take the bait, then present them with a better offer for a scaled down version of your product or service that keeps the same fundamental benefits of the high-priced version.

For instance, pool builders who sell to home owners should present their high-end mega-pool that includes a diving board, automatic built-in filtration system, custom shaped gunite molding, etc. etc. Then if the customer says it's too much, you can offer the next line down at a reduced price.

If you're selling consulting services offer the comprehensive service package. If the client shies away, then offer a scaled down version that provides the core benefits that the client is looking for.

If you'd like to see a live Internet version of a down-sell, visit www.MakeTheGrade.com, scroll down to the bottom, and look at the asking price. Then click off the site and read the popup. I get a lot of customers opting for the down-sell version.

Conclusion

Bumps, up-sells, cross-sells, and down-sells can all mean significant additional revenue for your business. In fact, your margins will be significantly higher on sales made using bumps, up-sells, and cross-selling strategies because you didn't have to pay any marketing costs to get the customer...they were already yours.

To simplify this marketing strategy you always first want to up-sell and then bump on the up-sell. After you've up-sold and bumped then you want to try and cross-sell your customer more products and services. If they didn't take the bait on your sales effort, make a down-sell offer.

People like to receive offers on products and services that interest them. Even the rich and famous want good deals. All you're trying to do when you up-sell, bump, cross-sell, and down-sell is make irresistible offers that your prospects can't refuse.

How to Create an Offer that Your Prospects Can't Resist

May I share with you a little secret about how people buy? It may sound strange but people don't buy 'things,' they buy opportunities!

It's true. People don't buy cars, office equipment, electronic gadgets, or even ideas. They buy opportunities like special discounts, long-term financing, bonus products, and simple payment terms.

When you package up all the opportunities you've created to sell a product or service it's called an 'offer.' The key to selling any product or service is to create an irresistible offer that your prospect can't refuse.

Your challenge is to create an offer so irresistible that your prospect says to herself, 'I'd be a darned fool if I said 'no' to this opportunity.'

The Risk - Reward Response Rate Equation

Before you learn how to create an irresistible offer it's important to understand why people respond to offers. Once you know this formula, it will be easy to create an offer that is so compelling that it will be difficult for your prospect to say, 'no.'

There is a risk - reward conversation that takes place in the mind of a prospect when considering your offer. They ask themselves, 'Is the promised reward greater than the required risk?' If it is, the prospect will usually buy. If not, they won't.

To break this principle down further, people respond to offers based on two factors:

1. The perceived value of the offer (what you get)
- and
2. The risk involved with the offer. (What you give)

In essence, you could express this relationship as...

Response Rate = Perceived Value / Risk

If the perceived value goes up and risk stays the same, your response rate will increase. If risk goes up and your perceived value stays the same, your response rate will go down.

BUT, imagine if your perceived value went up and your risk went down, what would happen to your response rate? It would skyrocket!

That's exactly what you want to do when you create an offer. You want to increase your perceived value and lower your risk. To do that we need to know what's inside the components of 'perceived value' and 'risk.'

Perceived Value and Risk

As I've already mentioned, perceived value is defined as what you get from the offer and risk is what you have to give to receive the benefits of the offer. Again, the trick is to increase your perceived value and decrease your risk to create an irresistible offer.

So let's look at several elements that will increase the value of your offer and several elements that will decrease the risk of your offer.

Elements to Increase Perceived Value:

1. Adding free bonus items such as accessories or third-party addons.
2. Giving two or more products or services for the price of one.
3. Packaging multiple complimentary products together with a lower overall price as compared to buying the products separately.
4. Explaining why your product or service is unique and its specific advantages over other competing products or services.
5. Explaining how well built the product is and giving proof to how long it will last.
6. Describing in detail the specific benefits that will be received when using the product or service.

Elements to Decrease Risk:

1. Provide the strongest guarantee possible.
2. Provide free or low cost extended warranties.
3. Try-it-before-you-buy-it offer.
4. Provide low, affordable payments.
5. Provide a pay-for-performance only offer.
6. Delay payments with no accrued interest.
7. Give access to follow-on help after the sale.
8. Prove a fast or large return on investment.
9. Give actual proof of the results of the product or service using real case studies.
10. Have other people give proof of the results.

Using one or a combination of these elements in your offer will increase your response rate. The more elements you use to increase the benefits and decrease the risk, the higher the response rate you'll enjoy.

Value is Based On Perception Not Reality

You'll notice that points 4, 5, and 6 all start with either the word, 'explain' or 'describe.' That's because value is based on the prospect's perception and not reality. The quickest most inexpensive way to build value is to simply explain in detail how valuable the product or service is. This can be done by explaining that the product or service:

- Is performed by most qualified and professional people.
- Is built with the highest quality parts.
- Is created using a very meticulous and careful process.

You can also build value by describing the benefits that the prospect will receive in terms of 'universal benefits.' By universal benefits I mean, those benefits that appeal to every warm-blooded human being. These universal benefits include the desire to:

- Be beautiful
- Be popular
- Be wealthy
- Have fun
- Not have to work
- Have sex
- Be smart
- Have power
- Be healthy
- Be loved
- Avoid pain
- Avoid guilt

Now take the features of your product or service and express the result of these features in terms of universal benefits and you will have created immense value out of thin air.

For example, let's use the 'Thighmaster.' The Thighmaster is one of the hottest selling products ever sold through an infomercial. It was promoted by Suzanne Somers who became very wealthy as a result of promoting this product.

The Thighmaster was a simple device that you put between your legs and squeezed together to exercise the lower half of your body and supposedly, tighten up your 'buns.'

According to the infomercial the Thighmaster...

- Made you more beautiful because of your tight 'buns.'
- Because you were more beautiful you would be more popular with the men.
- It was even fun doing exercises with the Thighmaster because it was easy to do. No running, sit ups, squatting, or walking. You could even lay down and watch T.V. while doing exercises with the Thighmaster.
- The Thighmaster increase your health and vitality and kept you in shape with minimal work.
- You would never have to worry about the embarrassing pain of being fat, out-of-shape, and having buns that jiggled like jello.
- And because you didn't have to spend a lot of time at the gym you wouldn't feel guilty of not being at home when your family needed you.
- In fact, you would love you even more because of the increase time you'd now be able to spend with them.

Did the Thighmaster actually do all those things? Probably not, but after watching the infomercial the thousands of people that purchased the product probably thought it did. People bought it based on its perceived value (versus its actual value).

How to Decrease the Risk In Your Offer

To reduce the risk in your offer you need to address the following questions that people have in their minds when they consider an offer:

1. Is the price too high for what I will receive? (price)
2. If I don't like it can I get my money back? (guarantee)
3. If something goes wrong can I get help? (warranty)
4. Does it really work? (performance)

Each one of these areas should be addressed when creating your offer. Let's look at each individually.

Your Price

The asking price is most often the 'risk' that people take to get the product or service you offer. The closer you get to making your offer free (or perceived as being free) the less risk you expose your prospect to and the higher your response rate will be.

There's no wonder why the most powerful word in marketing is the word, 'FREE.' Because it reduces the risk down to zero. Who wouldn't take advantage of an offer that provides relevant benefits and is free? Even if it didn't work there was no risk so there's no harm done.

However, you can't just give away your product or service for free...at least not forever. But you can give:

- Free samples
- Free demonstrations
- Free trials
- Free information
- Free 'stripped-down' products

All these reduce the risk of responding. You can also give a perception of a lower price by...

1. Selling the monthly installment price (versus the entire price)
2. Delaying payment for an extended period of time.
3. No accrued interest with extended payment.
4. Offering a rent or lease-to-own option.
5. Offering guaranteed buy-back agreements.
6. Providing resell rights.
7. Displaying the ending numerals in a price as \$.97 or \$.99.

You can also reduce the perception of price simply by the way you present it. Always give an apples to oranges comparison of your price.

For example, you could introduce your price by saying, 'This Valuable System Can Be Yours For the Price of a Starbucks Capuccino.' or 'You Can Have Your Very Own Private Airplane for What You'd Normally Pay for a Used Honda Accord.'

Then you would go on to explain and justify how the simple monthly payment that you'd normally pay on a Honda Accord will buy you a new airplane.

To go one step further you can actually reduce the price of the product or service by offering:

1. Sliding scale discounts

2. Volume discounts
3. Time limit discounts
4. Seasonal discounts
5. Discounts based on payback time (i.e. 2-10 net 30 days)
6. Manufacturer discounts (rebates)

Your Guarantee

Your guarantee is your secret weapon to decreasing the risk in your offer. You should always provide the strongest guarantee possible. Go out on a limb. Don't be afraid to provide a strong guarantee because statistics are on your side.

The large majority of guarantees are never executed. There's a erroneous perception that if you provide an aggressive guaranteed that a slew of customers are going to take advantage of you. That's simply not true.

Most people DON'T...

1. Send things back when they get broke.
2. Ask for their money back if they are dissatisfied.
3. Complain when they are frustrated.

Why? It's human nature not to be disruptive. Most people are passive and don't take action to resolve conflict.

Your Warranty

Warranties are like insurance, they provide security in the case that something goes wrong. How many of you who have been paying for insurance for years and years have actually made a claim? Statistically, very few will ever make a claim on their insurance and the same goes for a warranty.

So, like guarantees, why not provide a strong warranty?

If the part on a hot tub usually lasts for seven years but statistics say that most people only keep their hot tub for seven years why wouldn't you provide a 'lifetime warranty?'

You might have a few people take you up on the warranty after seven years but the perceived value of a lifetime warranty will far outweigh the cost of honoring a lifetime warranty.

In fact, you can provide a perception of a strong warranty just by providing a phone number or physical address to call in case things go wrong. Most people won't use it and if they do, studies say that it will be used only within the first three months of ownership.

Pay-for-Performance

And if you really want to make your offer 'risk-free' you might consider a 'pay-for-performance' offer. Pay-for-performance is when you give the product or service away with the agreement that the customer will pay only when they've received the benefits of your product or service.

This is the ultimate risk-free offer because it's as close to offering your product or service for free as possible. If your product or service doesn't perform, you don't get your money.

When entering into this type of agreement, you should increase the price because you (the seller or service provider) are taking all the risk and hence, your reward should be higher.

Make Your Offer Believable

One of the worst mistakes overzealous direct response marketers make is to create offers that are so full of hype that they are not believable.

This addresses the, 'Does it really work?' or 'Is this too good to be true' questions that are barriers to closing the sale. We've been taught that if an offer is too good to be true, it usually is. And it's true!

One way to offset the believability issue is to PROVE IT!

There are several ways to prove your offer but the best way is to provide customer testimonials and case studies. People believe comments from other people that have no vested interest in your success.

Pictures with testimonials are strong but video testimonials of actual customers can't be beat. That's why infomercials are packed with testimonials.

Case studies are also great ways to prove that your offer really does provide results. A case study should be described by...

1. Explaining the problem or situation
2. Providing the solution or how the problem got solved
3. The results of the solution

Real case studies that show statistics, graphs, before and after photos, bank account statements, etc. provide compelling proof that your offer really is true and that your product or service really does work.

Reason Why

Ultimately, if you have an Almost-Too-Good-To-Be-True offer you need to tell the reason why you can make that offer. Even if its a far-fetched reason people still need to reconcile in their mind why and how you're able to make such a great offer.

Common reasons why are that...

1. 'We goofed and ordered too much stock and now we've got to clear it out.'
2. 'My accountant (or boss) is out of town so he doesn't know I'm making you this offer' (Note: Yes, this one is a stupid reason but people still fall for it)
3. 'Our year end is here and we are going to get killed on taxes if we don't clear out our stock before December 31' (Note: Actually, this will increase their tax burden but it still works)
4. 'I buy from a secret source in India (or some far away land) and I can get unheard of deals so I'm passing the savings on to you.'
5. 'After inspecting our warehouse we found a bunch of slightly damaged inventory so our accountant says we have to unload it at less-than-cost.' (Note: Even I've fallen for this one.)

Whatever the reason is, then tell it. People want to know the reason why!

Inject Scarcity To Compel People to Action

An offer without a compelling reason to act now is dead in the water. 99% of all people are passive. They don't act even if its a great offer. You have to give them the extra incentive to compel them to act now.

One of the greatest motivators is the fear of loss and by injecting scarcity into your offer you're playing on people's fear of not being able to take advantage of a good deal.

The two most popular ways to inject scarcity into an offer is to...

1. Limit the time that people can respond to the offer

and

2. Limit the quantity that you are offering.

Limited Time Offer

Time sensitive offers provide deadlines in which prospects can take advantage of your offer. That's why you see so many weekend sales that end on Sunday. It compels people to get up off their couches and get down to the store.

It's a good idea to always include a deadline with your offer. The shorter the deadline the higher the response (almost).

You can't make it so short that people don't have enough time to act but if you hold an offer open for a month people will just put off responding and eventually forget your offer. Of course this depends on what you're selling as well.

Once you've made your offer you should continue to remind your prospect how much time is left to take advantage of it.

Limited Inventory Offer

This past Thanksgiving Walmart ran some commercials that offered a 3.1 Megapixel digital camera for \$150 to the first 200 people who arrived. People camped out there all night long to take advantage of that offer!

Another type of limited inventory offer is to simply mention in your offer that there are only 150 in stock and you're selling them on a first-come, first-serve basis.

Limit Your Choices - Confused Minds Always Say 'NO!'

Always limit your choices when creating an offer. You can give one option or two options but once you give your prospect a third option they get confused. This can kill your offer.

A marketing friend of mine from Canada, Don Campbell, teaches that confused minds always say, 'No.' It's true. People would rather not choose than have to go through the agony of making a complicated choice.

With that said, I do believe in giving two options when doing direct mail or on a website, Option A and Option B. Option A might be the 'basic package' while Option B might be the 'deluxe package.'

But when you're developing a print advertisement you should focus on the one action you want your prospect to do. Build your whole ad around the prospect doing that one action and nothing else.

Tell Them What You Want Them To Do...Exactly

People need to be taken by the hand and told exactly what to do. You must be clear and concise when giving instructions on what you want your prospect to do next.

Do you want them to...

- Visit your store today?
- Pick up the phone and call?
- Click the order button?
- Fax in their warranty now?
- Email you within 24 hours to register?

Notice that each of these 'call-to-actions' starts with an action verb. Even though you might think its obvious what your prospect should do, you still need to tell them.

Then you need to tell them what will happen when they do respond. For instance, 'If you cal right now and order your free report, I will personally go down to the post office and send it to you via priority mail.'

When you add 'what happens next' the offer becomes clear and concise and leaves no confusion. Remember, confused minds always say, 'No!'

Know the Objective Of Your Offer

So far, we've just been talking about offers for a product or service but there are offers to get your prospect to do many things.

For instance, you might just want your prospect to call your place of business or you might want them come down to your store.

Before you begin to develop any advertisement, design your website, direct mail piece, promo video etc. you **MUST KNOW YOUR OBJECTIVE!**

What is it that you want your prospect to do? Then, and only then can you create the right offer. Here are some examples from the pool and spa industry:

Offer to call your store:

The first 20 people that call today will not only receive our Special Report titled, 'Five Steps to Eliminating Back Pain Using Hydrotherapy' but you'll also receive a 30-minute taped seminar titled, 'The Secret to Raising a Close-Knit Family.' This audio seminar is usually sold for \$29.95 but is yours FREE if you are one of the first 20 people to call today.'

Offer to come down to the store:

Acme Pool and Spa was able to make an awesome deal with a major travel company to send 20 people on a relaxing three-day vacation. We had to do some serious arm-twisting to get these wonderful vacation passes, but we finally prevailed.

We will be awarding the first 20 visitors to our store today with a complimentary three-day, two-night vacation package to any one of ten vacation areas in the U.S. This offer won't last for very long so get here early before all the free vacation passes are taken!

Conclusion

Creating an irresistible offer takes time but the rewards are great. If you increase the perceived benefits and lower its associated risk, you will improve your response rate dramatically.

Here is a checklist that you can use when you create an offer...

- ☐ Is your guarantee as strong as possible?
- ☐ Is your warranty as strong as possible?
- ☐ Do you tie your features to universal benefits?
- ☐ Did you inject some form of scarcity?
- ☐ Is the objective of your offer clear and concise?
- ☐ Does your offer have a compelling headline?
- ☐ Have you eliminated price as a stumbling block?
- ☐ Do you have a strong call to action?
- ☐ Have you limited your choices?
- ☐ Have you given the reason why you can make the offer?

Here's one final piece of advice. Always make an offer. Make offers in your ads, on the phone, when you network with people, on service calls, even in your email correspondence. Every chance you get...make an offer.

A bad thing happens when you don't make offers...NOTHING.

If you don't make an offer you'll never get a sale. Start making frequent and targeted offers to your prospects and customers.

Make irresistible offers and watch the sales roll in!

How to Radically Reduce Refunds and Returns

There are few things worse for a small business owner than to watch your product come back after the sale with a request for a refund. Refunds and returns are a waste of your money, time, and effort.

If you're like most small business owners, only a very small percentage of your target market ever steps into your place of business, and even fewer people open up their wallets to buy your product or service. Imagine how much of an investment in your resources you lose when your customer asks for a return and refund.

Why Do People Return Products and Ask for Refunds?

To solve the problem of refunds and returns you need to start at the root of the problem. First you have to ask yourself why people return products and ask for refunds. After all, when you sell a product or service, that customer represents someone who put their trust in you and believed that your product or service would solve a problem that they had.

Before I tell the number one reason people return things, first let me tell you why they do not. Not because your product was faulty or because it arrived broken. Although these problems do exist, they're still not the biggest reason why people return purchases.

People return things because of something called "Buyer's Remorse." Buyer's remorse takes place after a purchase — the higher the price tag, the bigger the remorse.

People Have a Natural Tendency to Be Disappointed

People have a built in skepticism and a natural tendency to automatically be disappointed about things. I know that sounds strange, but it's true. If you don't believe me, set aside one day and count how many times you complain versus the number of times you sing praises about somebody or something.

You'll quickly find that your complaints outnumber your praises 10:1. If you've ever read the book, The One Minute Manager, by Kenneth Blanchard, you'll know that managers have a natural tendency to manage by exception — they will point out people's faults before they ever "catch" anybody doing something correct.

Consumers are the same way. After they purchase a product, they will usually feel slighted in one way or another. And it only gets worse with the size of the purchase.

The After-Sale Comparison Shop

As a young serviceman stationed in San Diego, California I wanted to purchase a stereo. I was 17 years old and still enamored with music (as most teens are). I wanted to buy the biggest, baddest, most awesome stereo system I could find.

After some shopping around I found one that was “all that” and more. But it carried a hefty price tag (\$1,500 as I remember). I was nervous about such a large purchase. Never had I spent that amount of money before. But I was in love with the stereo system, so I bought it.

After the purchase I found myself shopping harder than ever before, looking at features and prices of other stereo systems. Two days later, sure enough, I found one that was even more awesome than the one I purchased and...yikes...it was cheaper!

I felt sick to my stomach. I wanted to throw up. Quickly I tried to take my stereo back but I had unpacked it and thrown several of the boxes away already. Instead of feeling great about my new purchase, I felt a twinge of sickness every time I turned it on.

I still do this today, and I'll bet you do too!

The “after-sale comparison shop” is a natural reaction that everyone has and is a manifestation of buyer's remorse. Secretly, people are scared that they made a wrong decision and that they, in fact, could have gotten a better deal elsewhere.

The Secret Key to Overcoming Buyer's Remorse

Now that you know the biggest cause of returns and refunds, it's a lot easier to prevent it from happening. The secret key to overcoming buyer's remorse is to reassure your customer that they made the right decision buying your product or service and that they were smart for doing business with you.

Now here's where most business owners fall flat on their face — they aren't proactive about reassuring their customers that they made the right decision.

My father always told me “it's far better to prepare and prevent than to repair and repent.” By that I mean, now that you know that your customer is going to feel buyers remorse, why don't you take proactive steps to overcome it before it overcomes your customer.

Crosby Had It Right — “Quality is Free”

For those of you who were around in the 80s, you probably were exposed in one way, shape, or form to the “quality movement.” It started when the U.S. automotive industry was getting its fanny whipped by the Japanese.

U.S. cars were being poorly manufactured while the Japanese were putting out cars that kept going, and going, and going. W. Edwards Deming, known as the father of quality,

preached the simple act of investing in quality during the production cycle, rather than wasting money with qualify service problems.

Another quality guru, Philip Crosby, wrote a book titled Quality is Free. What he tried to say in his book was that the investment you put in up front to ensure quality more than pays for itself with good products and happy customers. Hence, quality is free.

Good products = happy customers = more referrals and repeat sales = higher profits.

The same goes for refunds and returns. The more you invest the moment your customer purchases your product or service; the lower your refund and return rate will be.

Six Strategies for Overcoming Buyer's Remorse

OK, let's get down to some specific strategies you can use to dramatically lower your return and refund rate. Each of these strategies takes little effort or time. The reason most business owners don't do them is because they have not become "institutionalized" in their business processes.

Whatever strategy you choose to overcome buyer's remorse, do it consistently for each and every purchase. Measure it, report it, discuss it, make it a part of your "standard operating procedure."

Strategy # 1 — Package It Right

Tests have shown that the packaging itself can lower return rates. The harder you make your package to open, the less likely you are to get a return. Remember my story about my stereo? It had a ton of packaging with special Styrofoam wrapping and plastic coverings. After I ripped through it, I had the feeling that I couldn't return it. You'll find that many of your customers will feel the same way.

Strategy # 2 — Include a Special Note With Your Product

How many times have you received a product with just a shipping label attached? I'll bet that most of your packages arrive that way. Consider inserting a personal note from you thanking your customer for their business and assuring them that they just purchased the best product available.

With the hundreds of amateur audiotaped information products that I have shipped out to customers, I have not received one back. Not one! The recording is ugly, my voice is ugly, there isn't any musical score at the begging or the end, and you can easily tell that it wasn't recorded in a studio. In fact, you can hear the places on the tape in which I paused the recording to correct a mistake or take a break.

The reason I haven't received one single return is because I send a note with each audio product that says, "This is NOT a studio recording. I learned a long time ago that GREAT

CONTENT is much more important than pretty music and that's exactly what you'll be getting... Great content!"

Strategy # 3 — Send an Immediate Thank You Note

Because buyer's remorse happens the moment your customer pulls out their wallet, you should immediately reassure your customer that they made the right decision by telling them so.

People don't expect to get a thank you note from anybody, let alone from the person they just purchased something from. It will be a pleasant surprise and will exceed their expectations.

Make sure that you include the following in your note:

1. A sincere thank you for buying from you and acknowledging that they had a choice and that you are flattered and honored that they chose to purchase from you.
2. Reassurance of the reason they bought the product or service in the first place — restate the benefits that they'll receive by using your product or service.
3. Additional tips to help them take advantage of the product or service they just purchased.
4. An assurance that you will be there for them if they need help or get stuck.
5. A reminder that they made a wise choice purchasing from you and that many others made the same choice as they did, and were happy that they did so.
6. Testimonials from other customers that are successfully using your product or service.

Strategy # 4 — Include an Extra Surprise Gift in Their Package

There are few things that engender goodwill more than surprising your customer with even more than you originally promised. This called "over-delivering", and is an important principle.

The sure formula for success is to "under-promise and over-deliver." I call this the "Scotty Principle." For all you Star Trek fans out there you might remember all the times Captain Kirk asked Scotty, the ship's engineer, how long it would take to make a repair.

Scotty always answered Captain Kirk by saying that he would be done in a longer time than he knew it would really take to get the job done. Then he got the job done faster than expected.

You can do the same thing by including an extra gift to your customer. Include something that is low cost to you but has a high perceived value.

This could be a special report on video or audiotape. It could be something that you bought as an overstock item or at a clearance sale.

My brother sells hot tubs and they send a basket of cookies shaped like a hot tub to their customer after each sale. If you sell a high ticket item, go to my favorite gift store, www.harryanddavid.com and give your customer a year round gift basket.

Strategy # 5 — Give them a Phone Call

Depending on the size of your business you might want to give your customer a phone call just to say thank you. Last year I was having severe lower back pain. I dragged myself to the chiropractor's office to get worked on.

He gave me some electrolysis stimulation and a great lower back massage with deep heating rub. I felt a lot better walking out than I did walking in.

That night I was shocked to get a phone call from the doctor. He was following up to make sure I was feeling a little better and to give me a few tips to sleep better. Wow. I became a big fan and have been seeing him off and on ever since.

Strategy # 6 — Ask for their Testimonial

A couple of years after my wife and I were married our old, worn out Toyota Tercel "gave up the ghost." We decided to go down to a dealership and buy a relatively new Honda Civic.

After we had signed the papers and before we had gotten out of the dealership, the finance person asked us to fill out a survey, which asked how satisfied we were and what we liked most about our experience.

Before we knew it, we had written a raving testimonial. We were giddy and excited about the thought of owning our "almost new" Honda Civic.

Not a week later the dealership sent us a thank you letter and included our glowing testimonial. We felt a warm fuzzy inside seeing our testimonial in writing. Even if we had a problem later on we probably wouldn't have made a stink about it. We would have been too embarrassed. After all, how smart could a person be if they publicly raved about the dealership and their experience, and then turned around and complained?

Once consumers make a public statement supporting you and your product or service, they will go to extraordinary lengths to maintain that posture. The chance of them returning a product or asking for a refund decreases dramatically.

Don't Make Conditional Guarantees

Always make a strong guarantee. This reduces the risk that people take when they are considering buying your product or service. However, some well-meaning marketers take this to the extreme by providing a strong guarantee, but put conditions on it such as...

“In order to get your money back you have to show proof that you’ve done, A, and B, and C, and D, etc.” When you put a conditional guarantee on your product or service, you’re just asking for an ugly scuffle every time someone asks for their money back.

Besides that, it can be very deceptive.

Another word to the wise — when your customer asks for their money back, give it to them. Don’t give them a hassle about it. Don’t question them. Don’t delay your refund. Give their money back promptly and with a smile.

If you don’t, you are asking for legal problems. I’ve known too many marketers that simply didn’t honor their guarantee by not giving their money back and they got shut down fast. They lost everything because they got greedy.

Unsatisfied Customers Spread the Word with Vigor

As I said before, people have a built in tendency to complain, even when there isn’t much to complain about. Imagine what happens when someone really does have a valid reason to complain.

It spreads like wildfire!

Not standing behind your product or service and honoring returns and refunds is committing small business suicide. Even if the authorities don’t come after you, all the bad will that you have spread will wreak havoc on your business.

Studies have shown that unsatisfied customers tell nine to twenty other people about your dissatisfaction. I believe this statistic, because once I have a bad taste in my mouth about a business, resulting from a negative experience, I tell just about anybody I can. (It’s called revenge.)

How to Breed Ultra-Loyal Customers

Like it or not, if you’re a business owner you’ll get customer complaints and a certain amount of returns and refunds. It’s a fact of life. There’s no getting away from it. You can’t please everyone all the time.

But customer complaints and returns can be a blessing in disguise. You see, 95% of all unsatisfied customers don't complain. They just pack their bags and take their business somewhere else.

These are the silent minority that are killing your business. Instead of being upset at customers who complain, be grateful for them. They are a gift. Customers who complain help you find weaknesses in your business that you need to fix.

Customer complaints give you raw, honest feedback that about real things that are happening in the trenches of your business. Some companies pay consultants breathtaking amounts of money to uncover these weaknesses, while complaining customers do it for free.

But here is the real key to breeding ultra-loyal customers for your business. Unhappy customers are in a prime position to become your most loyal customers. Why? Because their expectations are at their lowest.

They already think you're a piece of dung. They aren't expecting to get royal treatment and when they do get it, it not only takes the wind out of their anger, but it catches them off-guard and surprises them.

This is a "moment of truth." By seizing the moment and going the extra mile to satisfy them, they'll become your advocate.

Did you know that it's not product defects that destroy customer satisfaction? It's how you react to product defects that determine customer satisfaction.

Did you also know that there have been studies that have shown that the most loyal customers are NOT ones who have never experienced a product failure, but are those that HAVE experienced a problem with the product or service that they purchased, and received great service?

Think about that for a while.

Conclusion

Refunds and returns are a part of doing business, but they can be dramatically decreased with a few proactive measures that result in the customer feeling good about their purchase. If a customer does want his money back, give it to him with a smile.

Try to turn each return or refund into a positive experience for your customer. Go the extra mile to make sure they are happy. If you do, you'll be handsomely rewarded with a flood of return customers and positive referrals.

Internet Marketing Strategies for Local Small Businesses

Not long ago I was speaking to a CPA friend of mine who had invested a significant amount of his marketing budget to build an online presence. He spent a lot of time carefully designing the site and providing information and graphics to bring it alive.

Once the site was completed and the switch was turned on there was a sense of pride and accomplishment, with high hopes that the website would provide a marketing spark that would help to increase his client base.

After several months, with next-to-no traffic, my CPA friend confided that he regretted investing so much money in something that brought so little value. After all, he mentioned, it's not like he was selling his services to clients outside his local town.

After consulting with him, I offered several strategies that he could use to increase the amount of local, hometown visitors to his website. If you are a small "offline" business you may find several of these innovative strategies useful to your local Internet marketing efforts.

Strategy #1 (Free Vacation Drawing) — Set up joint ventures with local businesses to give away a ticket for a free two-night, three-day vacation drawing to their customers as a way of saying thank you for doing business with them. You provide the free vacation drawing tickets and they give them to their customers.

The ticket, which has a special code on it, instructs the customer to go to your website and enter in the special code to sign up for the drawing. The free vacation certificates cost \$10 (admin fee) and you can get as many as you want from Roger Aderholt at www.TheVacationMan.com

Lest you think these mini-vacations are a scam, I have used them myself and had a great time. Many (very nice) hotels would rather have a free occupant than no occupant, because it introduces the visitor to their hotel. So they give away free mini-stays.

A similar technique was used just recently between Microsoft (to introduce the XBox) and Taco Bell (to introduce their quesadilla), which netted hundreds of thousands of unique visitors to the XBox website. Taco Bell gave a ticket with a code on it to everyone who purchased a quesadilla. The ticket holder then took the ticket home, went to the XBox site and signed up for a free XBox giveaway.

When you announce the winners (which cost you \$10 a winner) they will be required to come to your office to pick up the certificate. So not only do you drive them to your website, but you get a face-to-face visit with them and a little goodwill.

Strategy #2 (Business Card Drawing) — Ask local businesses, such as restaurants and dry cleaners, to sponsor a monthly business card drawing giveaway with you, in exchange for an electronic list of their customers.

The restaurant, for example, would have a small bowl or box for business people to submit their business cards for the free giveaway. You commit to paying for the two free lunches and to converting the business cards into an electronic customer list for the restaurant. The restaurant commits to sponsoring the business card drop boxes and to an endorsed monthly emailing to their customers plugging your business.

Once you have the endorsed mailing you can continue to email market (or send an informative ezine) to those people again and again with the email addresses from the business cards.

Strategy #3 (Create a Local High School Sports Website) — If your small town is anything like my small town, people are high school sports-crazy. Unfortunately, there isn't one central location where you can access local sports scores and highlights.

Offer to pay the development and maintenance costs for a local high school sports website which can be maintained by a joint high school web team, using volunteer high school students. You can call it "YourTownHighSchoolSports.com." Of course you will have banners and links leading to your site because you are the sponsor.

I'll bet other local businesses would be willing to help sponsor the site in exchange for a little traffic to their website as well. Not will you get local website traffic, you'll receive a lot of valuable goodwill as well.

Strategy #4 (Referral Email Marketing) — Start collecting the email addresses of all your current customers. One way to do this is by dedicating a day or two to calling customers and offering to send them a coupon via email in exchange for their email address.

A second way to collect your customer's email addresses is to send out a physical newsletter and extend a great offer to everyone who sends you an email within the next 48 hours.

Put a viral marketing spin on it by sending your customers an offer for a free gift if they forward your email offer to three local friends using a tell-a-friend or refer-it script.

Strategy #5 (Flyer Marketing) — Contact the local Boy Scouts and offer to sponsor a fundraiser activity by attaching door hangers on homes in the local area. The flyer will offer a \$10 mini-vacation (same as in Strategy #1) to those who go to your website and enter in a special code that was given to them on the flier.

Again, with this strategy you would simply send them to www.TheVacationMan.com to pick up their \$10 mini-vacation certificate after they entered their special code on your website. Make sure you create a customized landing page with an offer on it for your free vacation visitors.

Strategy #6 (The Voting Page) — Watch your local newspaper very closely for controversial topics. Once a super-controversial topic hits, develop a quick one-page polling website that allows visitors to vote on how to solve the controversy. Put your banner on the website and also code in a pop-under page to expose visitors to your site every time the visitor leaves the polling website.

Now call the local newspaper (or write a press release) and let them know about your voting site. You can see one in action at www.whichquarterback.com that takes advantage of the recent quarterback controversy in Alabama.

Strategy #7 (Free Site) — Develop a FreeYourTown.com site which posts coupons, free offers, and discount services of local vendors. You can charge the vendors for placing coupons on the site and of course your links and banners will be on the front page because you are the primary caretaker of the site.

Make sure you get a lot of free publicity for the site. You might even ask your advertisers to giveaway handouts about the site to their customers. Have your FreeYourTown.com site sponsor local youth sports teams with the domain name on the back of their shirts.

Strategy #8 (Local Exit Traffic Exchange) — Start a local exit traffic exchange between local vendors. Once a visitor leaves the site of one local vendor, an exit popup or pop-under appears of a second local vendor.

The more local vendors you sign up, the more traffic everybody gets. Make sure you sign up local vendors that only do business locally.

Another twist to this strategy is to develop an exit newsletter signup form. Once a local visitor exits the site, a newsletter signup form pops up offering the visitor the opportunity to sign up to newsletters generated by local merchants.

Strategy #9 (Joint Email Endorsed Mailings) — Simply partner with another local vendor whose services you trust and would recommend, and suggest a joint-email endorsed mailing. You send an email endorsing your partner's services with a link to her site and she sends an email to her customer base endorsing your services with a link to your site.

Choose partners whose customers would benefit and potentially purchase your product and service. In email marketing, as well as direct post mail marketing, the list determines, in large part, the success of the offer.

Strategy #10 (Search Engine) — Optimize your website for your product or service and the name of your town or city. Many times I have found suppliers in my own small town using the Internet that fulfilled my requirements.

Two examples of this recently were when I searched and found a local patent and trademark lawyer who drove right over to my house after I contacted him on the web. My search on Yahoo was “patent lawyer” and “Friendswood.”

A second example was finding a great audio and video supplies and duplication service that was right down the road from my house. My search on Metacrawler was “audiocassette supplies” and “Houston.”

Conclusion

All it takes is a little creativity and effort to draw attention and visitors to your website. Of course you could just spend a lot of money and advertise your website address, but the most successful, low cost, alternatives to drawing traffic to your website are joint ventures with local business people who also have a web presence.

In fact, it doesn't even have to be with local businesses. Local high schools and churches are always looking for different fundraising and promotional activities.

I purposely didn't include the strategy of putting your website address on all your promotional materials. It's not that I forgot it. I figure that is just a given. If you're going to have a website, put it everywhere you would normally have your business name.

Some of these strategies are easier to execute than others, and some produce better results than others, but they all are viable and absolutely doable. Your website can be a powerful marketing tool. Now that you've made an investment in your website, you might as well get the most out of it.

16 Small Business Website Mistakes (and how to fix them)

Small businesses are flocking to the Internet. The Web is fast becoming a major channel for lead generation and sales of products and services. Additionally, thousands of people are turning to the Web to start their own home-based businesses.

After spending hundreds, and even thousands of dollars to build their web presence, the vast majority of businesses coming online are disappointed with the promised results of their website. I'm sorry to say, but most of these under-performing websites were built by graphic designers and technical developers that have no real marketing experience.

Having reviewed literally hundreds of websites for small business owners, I have seen the exact same mistakes being made over and over. The following are the 15 most common website design mistakes being made today — and tips on what you can do to avoid them. They are in no particular order.

Mistake # 1 – Not Clearly Differentiating Yourself from the Competition

How many websites have you been to that look the same, same the same thing, have the same functions, and generally are just same-ole, same-ole websites -- probably a lot. People go to your site to get information to solve their problem and to find out how you can solve it for them.

If your visitor doesn't have a clear understanding of why you are different and that you are the only solution for them to logically choose, they will click on over to your competitor.

One of the most common website mistakes is not clearly differentiating themselves from their competitors in a meaningful way. Meaningful, in a sense, that whatever difference you claim to have must benefit the customer. It needs to be something that they desire.

There's no use in gaining a unique advantage in an area in which people don't care anything about. Once you develop your unique selling proposition, make sure that you drive the point home all throughout your site.

If you've done your job right, your visitor will feel that they would be foolish to not buy your product or service.

Mistake # 2 — No Strategy to Drive Traffic to Your Website

Most small business design their website with absolutely no plan for bringing visitors to their site. Just because you build your site, don't think that people will come to it, no matter how well designed it is.

Your website marketing plan should include, but shouldn't be limited to, the following marketing strategies:

1. **Search Engine** — Your search engine strategy should include both free search engines and paid search engines. Before you even begin building your site you should decide on the keywords for which your site should be optimized.

This way you can build your pages and write your content from scratch for keyword optimization. You can also use those keywords to begin researching your pay-per-click keyword strategy. The following are several reputable search engine optimization companies that will help you place high in the search engines:

- www.eGlobalMarkets.com (Steve Kiges)
- www.AdvancedNetworks.com (Jim Maddox)
- www.PlanetOcean.com (Stephen Mahaney)
- www.AcademyWebSpecialists.com (Robin Nobles)
- www.1stSearchRanking.com (Sumantra Roy)

2. **Linking Strategy** — As part of your marketing plan you should begin to generate a list of complimentary sites you would like to approach to request a link. Not only does linking bring you direct traffic from other sites, it is a key factor in your search engine position in several important search engines. To learn more about linking strategies visit:

- www.linking101.com (Larry Sullivan)
- www.linkingstrategies.com (Kirt Christensen)
- www.linkagexpress.com (Scott Smith)

3. **Banner Advertising** — Although banner advertising is not as effective as other marketing strategies, it is still the primary method used by major websites to sell advertising. Contact the owners on your list of complimentary websites and ask for a media kit or advertising rates. Here are several resources for banner advertising:

- www.banneradmagic.com (Scott Covert — how to make banners)
- www.addesigner.com (free banner ad creator)

- www.quickbanner.com (free banner ad creator)
 - www.bannersgomlm.com (free banner exchange)
4. **Affiliate Program** — The ultimate marketing strategy for successful website owners is in creating an affiliate program. An affiliate program is much like establishing a group of commissioned salespeople that you pay only if they sell something. It is the best form of free website traffic. The following are several resources that will help you set up and run your affiliate program:
- www.synergys.com (Paul Galloway — Affiliate software)
 - www.clickbank.com (affiliate software and merchant account)
 - www.affiliateannounce.com (Neil Durrant — Announce your program)
 - www.affiliatetoolkit.com (Neil Durrant — Running an affiliate program)
- Note: To run a successful affiliate program you'll need to build marketing tools for your affiliates. Check out www.makethegrade.com/affiliates.htm to see the types of affiliate tools you should expect to develop for your sales force to use.
5. **Email and Ezine Marketing** — Email advertising includes either renting opt-in email addresses that have agreed to receive your marketing message, or doing bulk email messaging (i.e. spamming) by purchasing and sending your message to large quantities of email addresses that have been extracted from websites. To learn more about email marketing visit www.DEMC.com or www.ClickZ.com.
- Ezine advertising is much like email marketing but you actually purchase advertising space from an ezine (online newsletter) owner. You can purchase top placement ads, solo ads, or body ads that are usually priced by CPM much like banner advertising. To learn more about ezine advertising visit www.ListUniverse.com.
- Two resources for locating ezines that accept paid advertisements are:
www.lifestylespub.com (Ruth Townsend)
www.TopEzineAds.com (Jerome Chapman)
6. **Viral Marketing** — Every site should have a viral marketing component. By “viral” I mean, something that compels people to tell others about your site. A few of the best viral marketing tactics include:
- Give away a free ebook that contains links back to your site
 - Offer a free multi-part ecourse containing links to your site
 - Install a tell-a-friend script (www.recommend-it.com)
 - Offer greeting cards that people can send from your site
 - Write articles for other web publishers with links to your site
 - Publish an ezine and encourage people to pass it on
 - Install a “send this webpage to a friend” script

7. **Offline Marketing** — Marketing your website offline should go without saying. However, to spur your thinking here are 35 places where your website address should be seen or heard.

Answering Machine	Newspaper Inserts	On-hold messages	Promo materials	Packing material
Address labels	Christmas cards	Fax sheets	Media kits	Posters
Billboards	Classified ads	Flyers	Newsletter	Postcards
Brochures	Company cars	Giveaways	Reorder forms	Storefront
Business cards	Coupons	Interviews	Products	Trade shows
Catalogs	Checks	Invoices	Print ads	Letterhead
Envelopes	Receipts	Booklets	Press releases	Yellow Pages
Bathroom stalls	Radio and TV	Sales letters	Television ads	Uniforms

Mistake # 3 — No Strategy for Capturing your Visitors' Name and Email Addresses

Perhaps one of the biggest mistakes that website owners make is failing to proactively capture their visitors' names and email addresses. This is critical, because once you have your visitors' names and email addresses, you can contact them again and again free of charge. The following are several proactive strategies for collecting names and email addresses.

Strategy # 1 — Place Your Opt-in Box On Every Page of Your Site

As your visitors roam your site and are impressed with your content, they may feel impressed enough to sign up to your newsletter. By placing your opt-in box (a form that captures your customer's email address) on every webpage, you'll continually remind your visitor to give you their name and email address.

Strategy # 2 — Place a Popup on Your Site Offering Something of Value

Although pop-ups are annoying, they are undeniably effective. My opt-in rate (percentage of people that give me their name and email address before they leave my site) is hovering around 40% (versus the industry average of 5%), which is phenomenal. I advise using entrance pop-ups sparingly, but I recommend using an exit popup and possibly even a pop-under to entice your visitor to give you their name and email address.

Strategy # 3 — Withhold Access to Helpful Tools

A powerful way to capture a visitor's name and email address is to create tools that your visitor would find useful and offer free access to the tool(s) in exchange for their email

address. These tools may be financial calculators, graphic compressors, email reminders, etc. For a good example of this strategy visit www.jimtools.com.

Strategy # 4 — Withhold Access to Interesting and Helpful Information

Only allow your visitors to have access to the introduction of your content and articles but offer them full access by giving their name and email address. If they are interested enough in your content they'll gladly hand over their contact information to have access. For a good example of this tactic visit www.MarketingProfs.com and visit their resources section.

Strategy # 5 — Withhold Access to Full Demos of Your Product

Much like strategy # 4, you can require a name and email address to provide full access to a demo of your product. This might be an actual download of your software product, access to a flash demo of your product or service, or access to a part of your information product. To see a good example of this strategy visit www.MarketingWithPostcards.com and notice that Alex will let you have three chapters of his course for free in exchange for your name and email address.

In each of these strategies to collect names and email addresses, you'll notice that you are offering something that your visitor will find valuable. In a sense, you are "baiting" your visitor to give you their contact information. If what you use to bait your customer is desirable, you'll receive a lot of email addresses.

The industry average sign-up rate is around 5%. If your sign-up rate is below 5% you need to provide something of stronger value with which to bait your visitor. With all the privacy issues flying around, your visitor needs a strong reason to share their personal contact information with you.

Mistake # 4 — No Use Of Compelling Headlines and Sub-headlines

It is said that 80% of the success of a direct mail letter is attributed to its headline. It is no different with website copy. The Web has brought us universal access to photos and graphics but in the end, it's the copy that sells...period. The trick to getting your visitors to read your copy is to use dynamic, attention-getting headlines and sub-headlines.

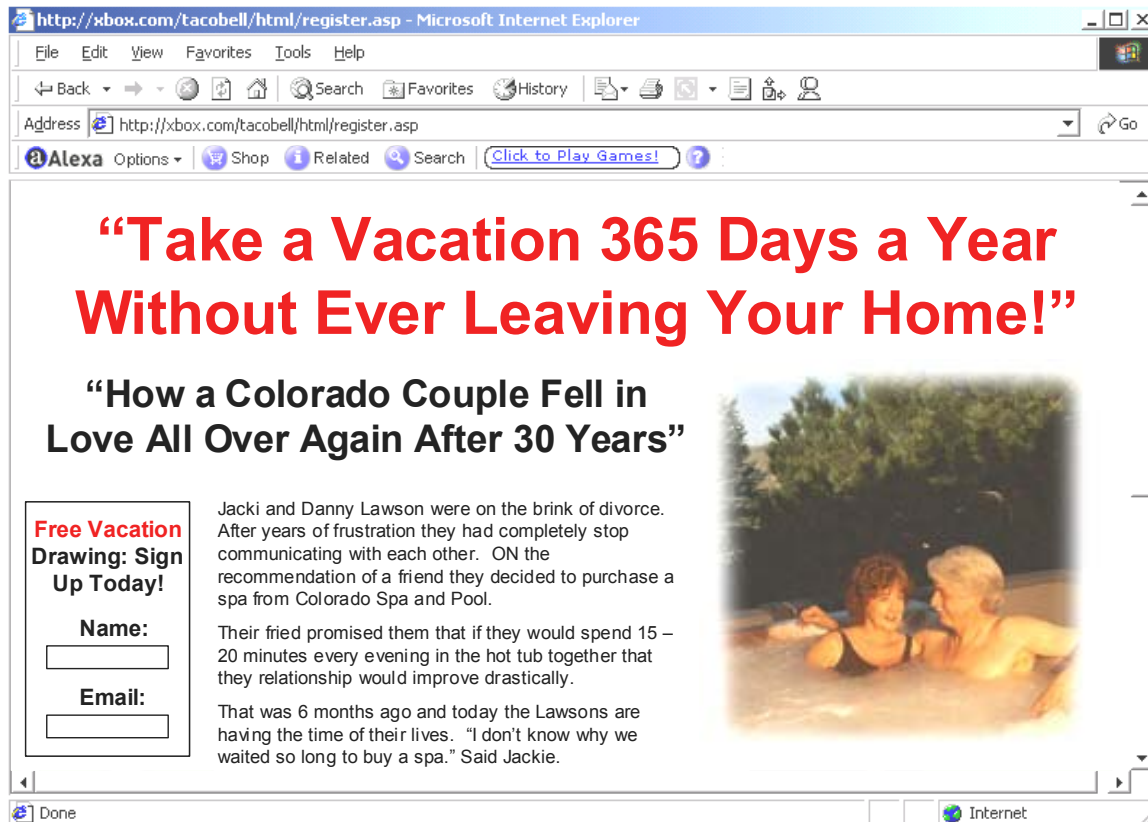
The sole purpose of your headline should be to make your visitor want to continue reading the text below it. Each and EVERY page of your website should start with a headline. You may even want to use a sub-headline to support your main headline.

Throughout your copy you should continue to use sub-headlines as a way to break up your copy and to allow your visitor to "skim" your content. Most web surfers are skim readers so the chances of having your copy read without the use of sub-headlines is slim.

Three other places you should use headlines are in your (1) testimonials, (2) guarantees, and (3) under photos or graphics (as captions). Again, people are 8 times more likely to read your content if you have a headline.

If you want to see a good use of headlines and sub-headlines visit my sites www.MakeTheGrade.com and www.InternetMarketingBookstore.com.

Here is a sample website with a headline that draws you in and makes you want to continue reading:



Mistake # 5 — Dull, Mind-Numbing Content

Many web developers just don't know how to write web copy. Most small business sites provide copy that is boring and useless. The following are some suggestions on how to spice up your copy to pique your visitor's interest.

Suggestion # 1 — Include Stories of Real People

Humans are voyeurs at heart. We like to look inside the lives of real people. If you don't believe me then please explain the explosive popularity of "reality television." Shows such as "Survivor", "Big Brother", "COPS", "Fear Factor", "The Bachelor", "The

Mole”, “Blind Date (my favorite)”, and “Elimi-Date” are dominating the television ratings. Why? Because people like to look at other people.

Including stories of real people will magnetize your copy. For instance, who can resist the headline, “An Open Letter from A Once-Flat-Broke Nebraska Housewife Who “Stumbled Across” A Business That Made Her Rich, One That You Can Start Too For As Little As \$15.00.” This headline almost forces you to continue reading. By the way, this headline was written by Dan Kennedy and has continued to appear in nearly all the home business magazines for several years.

Suggestion # 2 — Use Case Studies

Case studies are important in several ways. First, they take advantage of the voyeur effect explained in the previous suggestion. Second, they demonstrate your credibility by proving your ability to get results. Third, they give the reader what they want most...a glimpse of the benefits that they can expect to achieve if they use your product or service. They answer the “What’s in it for me?” question.

When you present case studies, consider using the Problem -> Solution -> Results format. In other words, the case study should present the problem, reveal the solution, and report the results.

Suggestion # 3 — Use Surveys, Studies, Charts, Graphs, and Evidence

People like to “see” the proof. People seem to find the results of surveys and studies not only interesting, but very credible. Using charts and graphs to graphically display the results of surveys and studies adds to this effect.

Displaying evidence is another very effective method of exciting your visitor while building credibility. For a good example of the display of evidence visit www.buyingwebbusiness.com. Notice the scanned image of the check that Kirt Christiansen received when he sold his small diamond website for over \$100,000. Actually seeing the check provides evidence that he’s telling the truth, while getting the visitor even more excited.

Another tactic that I use in my web copy as evidence is to use actual newspaper articles. If you visit www.toxicmoldanswers.com, about half-way down the page you’ll notice that I’ve included a full article about how toxic mold is destroying people’s lives. It is very effective.

Suggestion # 4 — Use Thumbnail Photo Galleries

Humans like to look at pictures because people are visual. Like the saying goes, “A picture is worth a thousand words.” By using photos you can convey a lot of information, and by storing them in thumbnails you can enlarge the picture for better viewing and control the loading time.

Suggestion # 5 — Use Short Words and Paragraphs

To make your copy easy to read, use short words and paragraphs. There is nothing more uninviting than a 20-line paragraph that looks like a sea of words. People won't read it, no matter how interesting it really is.

If you take the same copy and break it up into smaller paragraphs with no more than five lines each, and throw in sub-headlines to introduce new topics, the amount of your copy that will be read will increase dramatically.

Mistake # 6 — Confusing Navigational Instructions

The cyberworld is impatient and unforgiving. If a visitor lands on your site and gets confused, she is only a mouse click away from another site. Providing good navigation on your small business website is a must if you want to convert your visitors into customers. Here is a three step formula for developing a good navigational scheme for your site:

Step 1 — Determine your “Most Wanted Response” (MWR)

MWR is a term Ken Evoy of SiteSell.com developed. Your MWR is the response that you most want your visitor to have when they come to your site. The reason your website exists is to achieve your MWR. This might be subscribing to your newsletter, entering a contest, filling out a form, calling your office, or purchasing a specific product. Whatever it is, you need to decide what it is and develop a pathway to your MWR.

Step 2 — Provide a “pathway” to your MWR.

Providing a pathway means strategically designing your site to lead your visitors down a specific path that gets them to act on your MWR. The easiest way to do this is to ask yourself, “What is the FIRST thing I want my visitor to do when they land on my site?”

Once you've decided that, it becomes infinitely easier to design a site that starts your visitors off on their pathway. At each turning point in the pathway you need to ask yourself the same question, “What is the first thing I want my visitor to do now?” Then design your site to help your visitor accomplish that thing first.

Step 3 — Provide a “closing” page.

Your closing page should provide an irresistible offer that even you couldn't pass up. Make sure to remind your visitor of the benefits they'll receive, the relatively small risk that they're taking, and why they need to act right now.

Several other navigational elements include...

1. Using the top and left side of the webpage for navigation.
2. Always allowing for a way to get back home.
3. Placing benefit statements on your navigation buttons.

Here is a good example of using benefit statements on navigation buttons:

“Home”

“How We Can Help You...”

“Free Special Reports...”

“Our Typical Results...”

“What People Are Saying...”

“Why We’re Different...”

Here is a good example of a before and after picture of a website that was redesigned to achieve a most wanted response. When you look at the before and after home pages, think to yourself what the most wanted response is of the “after” home page.

BEFORE — www.nespas.com

AFTER — www.spapoolsuccess.com/nespa.htm

Now go back and look at your site and ask yourself if your MWR can be clearly interpreted by your visitor.

Mistake # 7 — Use of Annoying And Overwhelming Graphics

Many web developers just can’t resist the temptation to use flashing and overwhelming animated graphics. However, it’s been shown in many user interface tests that overwhelming graphics can have a negative effect on the user experience.

With that said, there are appropriate times to use Flash graphics. For instance, if you have a process that you want to explain to a visitor that may be a bit complex, you might consider using Flash to create a presentation.

Or if you want to demo your product without giving your visitor the actual product, why not create a Flash demo? Go to www.teletechplus.com to see a good use of Flash as a demo. Try to avoid using Flash splash pages. Very few people will wait to watch the Flash intro splash presentation.

The use of blinking graphics (commonly called “GIF animations”) can have its place as well. In fact, as I mentioned above, if you want your visitor to do something first you might want to apply a subtle blinking arrow pointing to where you want your visitor to go first.

Using overwhelming photos can also be distracting. However, one of the best uses of a large photo I have ever seen on a site is found at www.harleydavidson.com. Go check it out...you’ll feel as though you’re really on the open road, which is what the people at Harley Davidson want you to experience when you come to their site.

Mistake # 8 — Only Boring Specs And Data To Describe Your Product Or Service

Perhaps the number one sin in marketing is being boring. You can’t be boring and expect to get people’s attention — let alone hold their attention for any length of time. I consult to the spa and pool industry and they are notorious for presenting their products in a boring way.

For example, go to www.spa4u.com and click into “System Series” under the “Spa Galleries” heading. Now click on the “Lounger” spa. What do you see? Boring specifications and data. Not one bit of emotional copy. Who cares about gate valves, weir gates, and hose bibs? Although data and specs should be accessible through a link, a benefit-laden, USP-driven sales letter should accompany this product.

Now go to www.ThinkGeek.com and notice that each item has a catchy headline and mini-sales letter. If you sell a product or service, study the ThinkGeek.com site.

NOTE: You not only should be providing sales copy for each of your products but you should be offering up-sell items as well. Visit www.sharperimage.com and notice that with each product they include an “Add this Product to Basket” up-sell option.

Here are several additional tips for livening up your web copy that describes your product or service:

Tip # 1 — Show an action photo of your customer enjoying your product or service.

People want to visualize what life would be like using your product or service. If they can see someone else enjoying its benefits, it will be easier to visualize themselves enjoying the same benefits. This is the secret behind successful infomercials. You can see examples of this at www.AsSeenOnTV.com.

Tip # 2 — Use benefit-oriented captions.

The third most looked at area of your website (after an eye-catching graphic and headline) will be the caption under the graphic, so make sure that it is benefit laden.

For example, if you display a photo of your warehouse on your website you might include a caption that says, “Company ABC’s State-of-the-Art Warehouse Using the Most Sophisticated Fulfillment Processes Available.”

Tip # 3 — Display testimonials of people who have used your product or service.

It’s just hard to beat a good testimonial. Testimonials provide a credibility factor that is difficult to duplicate. When using testimonials always try to get your customer’s picture. Also, make sure that the testimonial is specific to your USP. By this I mean that your testimonials should testify to the fact that your product or service really does deliver on the USP that you advertised.

Tip # 4 — Use Flash demos or website audio to explain your product or service

The Internet was made to be an interactive medium. If you’re just providing text to persuade your visitors to buy from you, you’re only taking advantage of half the medium. Consider including audio or video to your site to present your product or service.

Here are three ways to include audio or video (or both) to your website:

1. Display an audio button below the graphic that presents your product or service (or you!) that allows your visitors to hear an audio clip while looking at the still graphic.
2. Insert a full motion video using RealPresenter at www.real.com.
3. Insert a Flash presentation that sells your product or service.

HINT: If you’re familiar with MS PowerPoint but don’t know Flash and don’t want to pay a lot to have a Flash presentation custom-developed, go to www.presentationpro.com/ and get the trial version of PowerPRESENTER, which will turn your PowerPoint presentation into a Flash presentation that you can run on your site. (It’s a very slick product. I’ve tested and it works beautifully.)

Mistake # 9 — No Tools That Overcome Your Visitors’ Skepticism.

The average consumer (and corporate buyer) is extremely skeptical. They are taught to be highly skeptical of anyone selling anything. On the Internet, skepticism is even higher. Your biggest hurdle to making an online sale will be overcoming your customer’s skepticism.

The following are several elements that will increase your credibility and instill a sense of trust and believability with your prospects:

Element # 1 — Provide full contact information.

At the bottom of each of your webpages you should display your full contact information. Yes, even your phone number. The majority of people will not call you, but the fact that you make your phone number available tells them that they could call you if they wanted to.

Element # 2 — Include an “About Us” page.

I have found that my “About Me” page is one of the highest traffic pages on any of my websites. Why? Because people are curious and they always want to know who you are. Having an “About Us” page tells your visitor that you have no problem revealing yourself and that you have nothing to hide.

Element # 3 — Include photos of your brick and mortar presence.

If you have a brick and mortar store or office it means that you have been around and your really do have a real business. Just knowing that you do business in an office building breeds credibility. No one wants to get ripped off in a fly-by-night deal, and the picture of your office shows that you’re not going anywhere soon.

Element # 4 — Include testimonials of industry experts.

Are there independent professionals in your industry that have (or are willing to) endorse your product or service? Displaying an endorsement from a known expert can give you an immense advantage in winning people’s trust.

Element # 5 — Use a reputable merchant account.

Taking orders over the web by asking your customer to send you a check or money order not only screams “amateur,” but will be a huge roadblock to getting orders. To go one step further, I don’t even recommend using PayPal. When net-savvy people see that you’re using PayPal it tells them that you are not selling the volume necessary to afford a real merchant account.

Element # 6 — Provide a solid guarantee.

One of the fear factors that net consumers have is not being able to get their money back if something goes wrong. Providing a strong guarantee tells your visitor that you stand behind your product and that there is little risk in purchasing your product or service.

Element # 7 — Provide a picture of you and your staff.

People don’t buy from businesses, and businesses don’t buy from businesses. People buy from people, and people who work for businesses buy from people who work for businesses. The more you can include about you and your credentials and successes, the more people will feel good about doing business with you.

Element # 8 — Provide case studies with successful results.

People want to know how you can help them solve their own unique problems. If they see that you've helped someone else out that had the same (or similar) problem with successful results, it proves that you can help them as well. As I mentioned earlier, use a Problem-Solution-Results format to present your case study. For a good example of this visit www.judyontonhr.com/results.php

In summary, to provide your visitor with a comfort level sufficient enough to purchase your product or service (or even pick up the phone and call you), you need to answer the questions that are being asked in the mind of your prospect. These are...

1. Who are you?
2. Why should I believe you?
3. Exactly what is your offer?
4. How will it solve my problem?
5. What is your competition telling me that I should know?
6. Who else has bought your product or service and what were their results?
7. How do I get the product or service?
8. What if I don't like it?

Answer these questions and your chances of getting the sale will rise dramatically.

Mistake # 10 — Content Focused On Only You And Your Business.

NEWSFLASH! No one cares about you or any of your awards. All they care about is how you can help them solve their problem. I see this problem time and again — small business website owners focusing all their content on their company and how good they think they are.

The moment you start to understand that people don't care about you, and that what they really care about is how you can solve their problem, your sales will begin to increase. Why? Because, generally speaking, deep down, people are greedy, self-centered, and only care about themselves! Although you might find that hard to hear...it's true. (Why do you think capitalism works?)

Here are several tactics that you can implement to make your prospect's greediness work for you, rather than against you:

Tactic # 1 — State your prospect's problem then agitate it.

Step 1 — Believe it or not, people strangely feel better when others suffer anguish from the same problem(s) that they do. They feel that there is someone else out there that really understands them. So start out your copy by confirming their feelings of anguish so that they know that you know what they're going through.

Step 2 — Now that you have confirmed their feelings of anguish, rub it in by making them feel worse. You see, people usually won't do anything about a problem unless they feel a great amount of pain. To do this, explain the results of the problem.

Credit counseling example: “Are you too busy paying off bills to become debt free? Sick of making payments every month only to find out that the balance on your credit card statement hasn't budged? Fed up with all the creditors hounding you early in the morning and late at night to get money you just don't have? Imagine the embarrassment you'll face if you have to file bankruptcy, not to mention the anguish of having your credit completely destroyed.

Tactic # 2 — Address each potential objection in your copy and an FAQ area.

If you've sold your product or service for any period of time you've probably heard all the objections that your prospects give when selling your product. List any and all objections on a sheet of paper and address the most popular objections in your copy.

Create a Frequently Asked Questions (FAQ) section on your site and address any and all potential objections. Envision yourself selling your product or service in person and just write down your answers. You might even want to record yourself as you stand in front of your product and verbally address each objection and then transcribe your recording.

Tactic # 3 — Do the “I & We” test.

Read your copy and circle every time the words “I” or “we” are used. Now go back and rewrite the sentence using the word “you” or “your.”

Bad Example: “We have won multiple industry awards for our customer service.”

Good Example: “You will receive the personal attention you require and deserve from a team of professionals that care about you and your specific needs.”

Tactic # 4 — Show testimonials and case studies of people that have achieved positive results.

Not to beat a dead horse, but including case studies and testimonials is a powerful tactic that proves to the customer that their wants and needs will be taken care of because similar people's wants and needs have been taken care of successfully.

Mistake 11 — Links, Banners, And Pop-Ups That Pull Your Visitors Away From Your Offer.

The site www.StopYourDivorce.com makes well over \$300,000 a year. It is a one page sales letter site that sells an \$80 ebook about how to mend your broken relationship. I

asked the ghostwriter who runs the site, Dean Jackson, why he never tried to capture anyone's email address.

His answer was one I've always remembered, "David, I make \$25,000 a month off this site. When a visitor comes to this site, all I want for them to do is concentrate on their problem and my solution...and nothing else."

Using links, banners, and pop-ups can distract a visitor and impede them from acting on your Most Wanted Response. However, that doesn't mean you should do away with them completely. Here are a few hints to using links, banners, and pop-ups so that their distraction is minimal.

Hint # 1 — Put all your resource links that you've swapped with other sites on one page.

Don't hide the page (to me that's unethical), but don't make it pronounced either. I've seen sites that say, "Visit our partners," which is OK if you're promoting affiliate programs, but is a free invitation to leave your site if it's not.

Hint # 2 — Use the "target = "_blank" html command for links to other sites.

This will automatically open a second window with the destination site in it, but leave your site up and running. This way you will be able to achieve both goals. The actual command reads

Hint # 3 — Don't put any links or banners on your sales pages, only on your content pages.

Your content pages should drive your visitors to your sales pages. Remember, each of your "pathways" should lead to a sales page and then to a closing page. It's OK to have links on your content page, but you shouldn't include anything that will distract your visitor from buying once they've made it to your sales page. If you go to www.marketingtips.com you'll notice that most every page leads to a sales page.

Hint # 4 — Use pop-unders or exit pop-ups instead of entrance pop-ups.

Pop-unders and exit pop-ups are presented upon leaving a site. This means that a visitor has already seen or done what they wanted to do on your site and only then are they presented with another offer. If you do use an entrance popup, use a cookie that limits the popup to only one pop. When your visitor returns, they won't be presented with the entrance popup again.

Hint # 5 — Use "fake banners" and text links to drive visitors to your sales page.

To see a good example of this visit www.bizmove.com. Notice all the transparent banners (that look like pull down menus) that Meir Leiraz uses to "trick" you into going to his sales letter pages. An even more effective method of driving visitors to your sales

page is to use text links. Text links have higher conversion ratios than banners or pop-ups.

Mistake # 12 — Slow-Loading Site

Your visitor will give your site no more than 10 seconds (sometimes less) to appear. If it doesn't, they're gone. With all the new advances in graphics, it's hard to resist the temptation to place a lot of graphics that slow down your site.

Here are few tips that you should consider when building your webpage:

Tip # 1 — Many people have high-speed internet access, but most have 56Kbps modems — and rarely do they connect at that rate. You should build your page with the slowest user in mind.

Tip # 2 — Build your webpage no bigger than 35K. Your home page should be even less.

Tip # 3 — Use descriptive- and benefit-oriented “Alt” tags, so when your webpage is loading your visitor can see what a graphic represents and how it will benefit them. Thus, they'll be motivated to stay until the page loads.

Tip # 4 — Always use a compression tool to optimize your graphics before you use them. I use the graphic optimizer at www.netmechanic.com.

Tip # 5 — Use interlaced graphics — pictures that load little-by-little. If a user sees your graphic loading and you've used descriptive Alt tags, they're more likely to wait while your entire site loads.

Tip # 6 — Use the `onload="preloadImages();"` HTML command to preload the images on your site. As your visitor reads your headline and opening copy, your other graphics will be loading in the background.

Mistake # 13 — No Tracking Of Website Metrics.

You can't improve what you don't measure. Only through tweaking, testing, and measuring will you be able to improve your website's effectiveness. The following are just a few metrics that you need to keep track of to measure the effectiveness of your site. Think of them as the “vital signs” of your website.

Not only do these metrics help you improve your website, but they also let you know how much you should be willing to spend on advertising.

Metric # 1 — Sell-through or conversion rate

Your conversion rate is measured by taking the number of visitors to your site, and dividing it by the number of visitors that purchased from you. Example: If three out of one hundred people go to your site and purchase your product, your sell-through is 3%.

Metric # 2 — Visitor value

Visitor value measures how much each unique visitor that comes to your site is worth to you. Example: If three out of one hundred people purchase your product, and your profit per sale is \$100, each visitor is worth \$3 because 100 visitors equals \$300 in sales

Metric # 3 — Opt-in signup rate

Your opt-in rate is the percentage of people that sign up (give you their email address) when they visit your site. Example: If 100 people visit your site and five give you permission to send them information by giving you their email address, your opt-in rate is 5%.

Metric # 4 — Traffic stats

Traffic stats could consist of any number of metrics. However, knowing how many daily unique visitors came to your site is an important metric.

Metric # 5 — Source of visitors

Knowing where your traffic came from is also important, especially if they were driven to your site through a paid promotion. Your web stats package should be able to tell you which search engines your visitor originated from, in addition to, the URLs of the websites your visitors came from.

Metric # 6 — Average visitor time

Knowing how much time your visitor spent on a certain webpage (such as your home page) will let you know to what degree your visitor finds your site interesting. It can also tell you approximately where your visitors are jumping off. This metric is important to know for each webpage.

Metric # 7 — Most viewed web pages

Knowing which of your web pages are popular and which ones aren't will tell you where your visitor's interests lie, how well your visitor stays on their pathway to the closing page, and what webpages should be dropped (or tweaked).

With the metrics that I just mentioned you'll be able to answer several key questions about your site's performance. But perhaps the most important is, "How much is each unique visitor worth to me?" This key metric will drive all your decisions about how much you can spend to profitability acquire new customers.

For example, if your visitor value is \$1.00, you can't afford to pay \$1.20 per click to drive new visitor to your site (unless you're strategically acquiring new customers at a loss).

Mistake # 14 — No Focus On A Niche.

In the offline world there is an old saying: "If everyone is your target market, no one is your customer." What this means that if you try to target a large segment you'll appeal to nobody in particular.

<u>General</u>	<u>Niche</u>
Electronics	Palm Pilots
Women	Pregnant Mothers
Business	Marketing for CPAs
Food	Low Carb Recipes
Health	Bodybuilding
Pets	Pit Bulls
Parenting	Dealing with Troubled Teens

You get the picture. You see, people usually jump on the Web to search for specific, rather than general information. If the content on your site is general in nature, then you won't be able to appeal strongly enough to your visitors to get them to take action.

Again, people are self-centered and want to find solutions to their own personal situational problems. The closer your content is to your visitor's interests or problems, the more involved they will be with your content.

The benefits of building a niche site are that (1) its visitors are more likely to buy because your products and services will have a stronger appeal to them, (2) the price you charge can be higher because you'll be offering a specialized product or service, and (3) you'll have less competitors to deal with.

To find a profitable niche on the Internet, consider following these important steps:

Step 1 — Write a list of your interests and hobbies (things that get you excited).

Step 2 — Now write a list of key phrases and keywords associated with those areas of interest to you.

Step 3 — Go to inventory.overture.com and enter in all your keywords and phrases and document the number of searches for each (this site is Overture's "inventory" tool, which tells you how many searches were done on a key phrase or keyword on the Overture search engine in the previous month.)

Step 4 — Go to www.overture.com and see how much people are bidding to be in the top three positions (Look for the “Advertiser’s Cost = \$x.xx” at the end of the last line of each description.)

Step 5 — Put a check mark by each phrase that has over 1,000 searches and costs less than \$.08 to get into the top three positions.

The phrases and keywords represent the areas that have profitable potential in the short term. In the long term, you’ll want to compare the number of searches to the total number of websites that come up in a keyword search as Google.

Recently a product was introduced that does this type of research. Visit www.nichemarketresearch.com/ to learn more about it. In addition, if you’re a Site Build It owner (buildit.sitesell.com/), a SiteSell product, you’ll receive software that finds profitable niches in the SBI manager tool.

To be honest, if I had to do it over again, I would have NOT built www.MarketingBestPractices.com as a general small business marketing website. I would have focused on marketing for CPAs. Why?

1. It’s a tighter niche and I could have provided more specialized content.
2. Because I am a registered CPA, which gives me credibility.
3. There are a lot of CPAs.
4. CPAs usually have the money to spend.
5. Most CPAs are dying for new clients.
6. There aren’t many sites dedicated to marketing for CPAs.

Mistake # 15 — The Wrong Domain Name

When discussing why some retailers are so successful you’ll often hear the phrase, “Location, Location, Location.” If you’ve got a great location people can find you easier and you’ll get more exposure. If you’re store is hidden away in some obscure neighborhood, the chances of you being a success are slim.

It’s similar in the online world and it all starts with having a good domain name. I can’t tell you how many website reviews I’ve done in which the owner has either used his business name or some weird variation of it. The following are examples of poor choices for domain names.

Company	Domain Name
ABC Pest Control	ABC-Pest-Con.com
Joe’s Locksmithing	JoLock.net
Able Construction Inc.	Able-Con.biz
Quality Tire and Battery	Quality-TireB.com

Common Domain Name Mistakes (and how to fix them)

The following are common domain name mistakes and some tips on how to choose a correct domain name. Don't be fooled. There are still a lot of great domain names available. With some creativity and research you can land yourself a great name.

You always have to remember the number one rule when getting a domain name. If someone wants to find your business on the web, the first thing they'll do is type your business name into their browser without hyphens or abbreviations. The closer you get to a domain name with your business name with no hyphens or abbreviation, the more likely you are to be found by a customer surfing the net.

Mistake # 1 — Using an extension other than a “.com”

Today there are several top level domain extensions such as .org, .gov, .net, .info, .biz, .us, .co.uk, and .cc. The .com was the first extension to become popular and today, because of its popularity, it's the first domain that people will use to find your company. It's better to have a less than desirable name with a .com extension than to have a great name that is a .biz, or .info.

Mistake # 2 — Using hyphens in your domain

Hyphens are used to separate words in some domain names, but they also confuse people because most Internet surfers are not expecting hyphens in a domain name. In addition, the more hyphens you have the more confusing the name becomes. Try not to use hyphens in your domain name unless you are building the site specifically for the search engines.

Mistake # 3 — Using unnatural abbreviations

Many times people will want to abbreviate their business name to use as their website address. When you abbreviate your business name you inject an element of confusion. Words can be abbreviated in many different ways, and most people don't know how you abbreviate your domain name.

It's better to just spell out your entire business name in your domain name that to abbreviate, even if your name is long.

Mistake # 4 — Not using a keyword in your domain name.

This might not be an issue for some small businesses who do business locally but for those who ship nationwide or globally and want to be found in the search engines should have a keyword(s) in their domain. The search engines will match the word in their domain to the title of the their page and give it a higher ranking.

To find good keywords visit inventory.overture.com and type in the primary keyword of your business, product, or service. Out will come a list of potential keywords to consider as your domain name.

Mistake # 5 — Not making the domain name easy to remember

Let's suppose your business name is taken... What will be your next move? Mine would be to find a catchy phrase that people will remember easily. You want to be able to just quickly shout out your domain and have someone understand it and remember it.

The Radio Test

A good test is if you can do a radio commercial and give out your domain name and have it be remembered, its more than likely a good name. If not, change it.

Let's suppose Juzelli and Horowitz was a law firm that specialized in divorces. A good name might be www.FastDivorces.com.

However, there will be some people that know the name of the business and type in "JuzelliandHorowitz.com" into the browser. That's why you should reserve www.JuzelliandHorowitz.com and have it forwarding to www.FastDivorces.com.

I recently had a client whose business name was Montana Hot Springs Spas. They chose the domain, www.MtHotSpringSpas.com. They were doing a lot of radio commercials and had a very difficult time giving out their website address (for obvious reasons). We found the name, www.LoveTheTub.com and used it. Now they give their website address out in all their commercials with no problems.

Domain Name Selection Criteria

As a review, when choosing a domain name you should consider the following criteria:

- Is it easy to remember?
- Does it describe the purpose of the site?
- Is it available without hyphens?
- Is it available with a .com extension?
- Is it somewhat short (less than 15 characters)?
- Does it match the keywords of your site?
- Does it avoid combinations of letters that are difficult to remember (i.e. www.dlttd.com)

Don't Forget Expired Domain Names

Thousands of domain names are expiring every day! Many of them are great domain names that for one reason or another have been abandoned. The nice thing about expired domain names is that at least one person determined that they had value, so they're not just dried up boring leftovers.

You can pick up a great expired domain name for less than \$10. Many services exist to find expired domain names but the following two are a few of the best.

BIZMINT — www.bizmint.com

UNCLAIMED DOMAINS — www.unclaimeddomains.com

Domain Naming Services

Can't think of a good domain name? Here are a few services to help you find your ideal domain name.

NAMEBOY — www.nameboy.com

DOMAIN FELLOW — www.domainfellow.com

123FINDER — site.123finder.com

E-GINEER DOMAINATOR — www.e-gineer.com/domainator

WHOIX — www.whoix.com/wizard.html

RAINING NAMES — www.domainnames.com/advanced.asp

DOMAIN GURU — www.domainguru.com

HOME PAGENAMES — www.homepagenames.com

SNAPITNOW — www.snapitnow.com

IC — icdomainnames.com/domain-name-generator.shtml

EYEONDOMAIN — www.eyeondomain.com/domainname.html

RED HOT DOMAIN NAMES — www.redhotdomainnames.com

What If The Domain I Wanted Is Already Taken?

It's disappointing to come up with a great domain name only to find out someone has already reserved it. Don't despair... The name may become available. But if it's a valuable domain name, you can bet that its going to be swept up fast. Using the following two services you can not only monitor the domain name's status but grab it as soon as it becomes available.

SNAPNAMES — www.snapnames.com

EXPIREFISH — www.expirefish.com

Choosing a good domain name is important and should be considered carefully. Follow the rules above and you won't go wrong.

Mistake # 16 — Online Myopia.

Definition of “Myopia”

My•o•pi•a — 1. A vision defect in which objects are seen distinctly only when near to the eye. 2. lack of foresight

“Online myopia” is immersing yourself in the online world to the exclusion of the brick and mortar world. Believe it or not, most people still live in the physical world and prefer physical things. Electrons will never totally displace the physical world.

Online myopics believe that not only they are 100% online, but that everyone else is too, and that they prefer to everything online. This is false, and will always be false. Most people would rather...

1. Hold a newspaper in their hands rather than read the news online.
2. Receive a postcard or letter via snail mail than read an electronic letter.
3. Throw a video in the VCR than watch a video on their computer monitor.
4. Talk to people over the phone or face-to-face than communicate through email.
5. Visit your physical store rather than get on the Internet and browse your website.
6. Sit down in Barnes and Noble to read a book than read an online ebook.

I learned this the hard way after investing a very large sum of money (many thousands) in Webvan — the online grocery store that was supposed to replace the neighborhood grocery store. After millions and millions in venture seed money, Webvan closed its doors in disgrace.

Why? Because people like their grocery shopping experience. They like to feel their tomatoes, inspect their meat, push their shopping carts, and read the National Enquirer while waiting to check out.

These are human traits. A baby can't survive sitting in a room by itself, even if it is fed. It requires human interaction. So do we.

The most successful online businesses marry their online processes with offline processes. Here are a few tips to leverage your online presence with the human element.

Tip # 1 — Provide multiple means of contact — a fax, phone number, and snail mail address. This shows your visitor that you're willing to speak with them by any means.

Tip # 2 — Call people for customer service problems. The online world has learned that their customers don't like email as a means of customer service. People want to talk to people to get their problems solved.

Tip # 3 — Advertise your online presence offline. Just yesterday I opened a “Home Business Opportunities” magazine to find Tatiana Velitchkov advertising her online site,

www.guaranteedhits.com with a half page ad. I also received an awesome postcard a few days ago that asked me to go to a website to claim a prize. I did and it was worth it.

Tip # 4 — Don't be afraid to deliver your products or services using snail mail. I sell a \$300 information product online, and I'm convinced that no one would ever buy it if it was an electronic download. In addition, I know several people who have a thriving offline audiocassette business that is driven by their online presence.

Tip # 5 — Send thank you letters through snail mail. There are few things that beat a heartfelt, sincere, thank you letter received in the mail. (This will also impress your online associates)

Tip # 6 — Use a toll free telephone number on your website that someone can call to get more information about your product or service.

Conclusion

While this list doesn't cover all of the possible website mistakes, it does describe some of the most expensive, destructive and most common made by many online business owners.

It's relatively easy to produce profitable results with a well-planned, tested and proven website strategy. However, it's even easier to lose thousands of dollars by making these website mistakes. I should know — I own and manage eight successful website properties!

How to Start Your Own Online Newsletter

Last week I received an e-mail from a business owner from Auckland, New Zealand. He was having trouble downloading my free ebook off my website.

I promptly thanked him for visiting my site and attached my ebook to an e-mail message and shot it off to him. About a minute later he replied with a generous thank you.

Later that night I was reading a book and started thinking about that brief transaction I had with the fellow from New Zealand earlier in the day. When I thought about it, I marveled.

The fact that I could send a book from Houston, Texas to Auckland and get a reply in under a minute was simply amazing. Perhaps the greatest tool to come from the Internet is e-mail.

It travels at the speed of light. You can send documents, pictures and even videos with sound around the world in under a minute. And it's free! What an amazing tool.

But e-mail can also control emotions, make people happy, sad, or even mad through the power of words. Because of this you can use e-mail to significantly build your business by persuading prospects to become your customers and by convincing your customers to increase their purchase amount and do business with you more frequently.

E-mail allows you to do this by creating an electronic newsletter, commonly referred to as an ezine, which is short for "electronic magazine." Electronic newsletters are very similar to offline newsletters in that they can inform, motivate, and educate - - but at a sliver of the cost you'd normally pay to send out an offline newsletter.

Benefits of Having an Online Newsletter

I've already stated that the biggest benefit to sponsoring an online newsletter is the cost - or lack of cost. The only costs incurred when sending an ezine is what you pay to use the software to send your message.

Other benefits are:

1. Great customer service.

People equate good customer service with timely communication. You can instantly send out an e-mail to help your customers that will arrive in minutes, if not seconds.

2. Build customer loyalty.

Contrary to conventional wisdom, loyalty is built as a result of what you do when things go wrong, rather than the quality of your product or service. E-mail allows you to communicate quickly and directly to solve your customer's problems.

3. Create a sense of community.

Frequent communication makes people feel as though they are a "part" of something. This addresses people's inner desire to "belong" and "feel important." Consistent communication can create a sense of community among the list members.

4. Provide you with a ready market.

The list you create becomes a ready market that is willing to do business with you because they know, like, and trust you. In fact, your list of subscribers may be the most important asset in your business.

Your electronic newsletter may very well be your most important and powerful marketing tool in your business. The return on investment for creating and maintaining a newsletter is tremendous.

Nine Steps to Creating Your Online Newsletter

Now that we've talked about the benefits of creating an electronic newsletter let me introduce the eight steps to creating your own online newsletter.

Step 1 - Decide on the Objective of Your Newsletter

Step 2 - Decide on Newsletter Name and Content

Step 3 - Decide on Newsletter Frequency

Step 4 - Decide on Newsletter Format

Step 5 - Decide on How to Capture, Store, and Manage E-mail Addresses

Step 6 - Set Up Your Bulk Mailing System

Step 7 - Create and Test Your First Newsletter

Step 8 - Launch Newsletter

Step 9 - Continue to Review and Improve Newsletter

Each of these steps are simple but require some thinking on your part. Let's review each of these steps and learn what it takes to launch an online newsletter.

Step 1 - Decide on the Objective of Your Newsletter

Newsletters can have a variety of objectives depending on your goals. For instance, your newsletter could be used for:

1. Establishing your name and reputation
2. Selling advertising
3. Selling your product or service
4. New product, service, or company announcements
5. Writing a book (my objective with the MBP letter)
6. Collecting e-mail names to rent or sell
7. Keeping in touch with customers
8. Drive traffic to your site

Whatever your objective is, make sure that you align the content of your newsletter with your objective. Allow me to give you a good example.

I subscribe to a newsletter from a person who helps independent professionals market their services. He never sells ad space in his newsletter to other people and he is the sole author of the content of the newsletter.

He could have other income streams from selling advertising spots and he could lighten his own load by allowing other people to write for his newsletter.

He doesn't because his main objective is to establish a relationship of exclusive trust with his readers so that they'll purchase only his products and services.

Step 2 - Decide on Newsletter Name and Content

Once you know what the objective of your newsletter will be it's time to come up with its name. The name of your newsletter should be in line with the content of the newsletter.

The content of my newsletter gives marketing best practices for small businesses, hence, the name "The Marketing Best Practices Newsletter."

To jumpstart your thinking, here are the names of a few of my favorite online newsletters (in no particular order):

1. "Trey Ryder's Lawyer Marketing Alert"

Author - Trey Ryder

Topic - Marketing advice for lawyers

Website: www.TreyRyder.com

2. "Words that Sell"

Author - Kris Mills

Topic - Copywriting, Direct Mail

Website: www.WordsthatSell.com.au

3. "Web Business Today"

Author - Damon Zachariades

Topic - Damon's whimsical comments on emarketing

Website: www.ReportSecrets.com

4. "The Referral Minute"

Author - Bill Cates

Topic - Referral tactics for finance professionals

Website: www.BillCates.com

5. "The Publicity Hound's Tips of the Week"

Author - Joan Stewart

Topic - Publicity tips

Website: www.PublicityHound.com

6. "Give to Get Marketing Newsletter"

Author - Joe Gracia

Topic - Small business marketing strategies

Website: www.GivetoGetMarketing.com

7. "More Clients"

Author - Robert Middleton

Topic - Marketing for independent professionals

Website: www.ActionPlan.com

8. "No BS Marketing Letter"

Author - Dan Kennedy - Ken McCarthy

Topic - Thoughts on marketing for small businesses

Website: www.DanKennedy.com

9. "The Marketing Tip of the Week"

Author - Ken Varga

Topic - Small business marketing strategies

Website: www.KenVarga.com

10. "Web Digest for Marketers"

Author - Larry Chase

Topic - Brief reviews on marketing websites

Website: www.WDFM.com

11. "MarketingProfs Today"

Author - Various Writers

Topic - Articles on marketing topics

Website: www.MarketingProfs.com

12. "Website Marketing Plan"

Author - Bobbette Kyle

Topic - Website marketing advice

Website: www.WebsiteMarketingPlan.com

13. **"Marketing Nugget"**

Author - By Referral Only Company

Topic - Marketing tips for realtors

Website: www.ByReferralOnly.com

14. **"BizWeb Gazette"**

Author - Jim Daniels

Topic - eMarketing tips

Website: www.Bizweb2000.com

15. **"All the Secrets"**

Author - Phil Wiley

Topic - eMarketing tips and new product announcements

Website: www.AlltheSecrets.com

16. **"Wordnet Chronicles"**

Author - Ralph Hilliard

Topic - eMarketing tips and website design analysis

Website: www.Wordnet.net

17. **"Internet Marketing Secrets"**

Author - Michael Campbell

Topic - Search engine and affiliate marketing tips

Website: www.InternetMarketingSecrets.com

18. **"Marketing Tips Newsletter"**

Author - Cory Rudl

Topic - eMarketing strategies

Website: www.MarketingTips.com

19. **"Web Marketing Today"**

Author - Ralph Wilson

Topic - eMarketing strategies

Website: www.WilsonWeb.com

20. **"Profit Pill"**

Author - Michael Fortin

Topic - Copywriting

Website: www.SuccessDoctor.com

21. **"Web's Worth Watching"**

Author - Ryan Deiss

Topic - Recommended websites for marketers

Website: www.sitesightings.com.com

22. **"DEMC"**

Author - Abbey Drew

Topic - E-mail marketing

Website: www.DEMC.com

23. **"Succeeding in Business"**

Author – Jeffrey Mayer

Topic – Business management topics

Website: www.SucceedinginBusiness.com

It's interesting to see how many newsletters I actively read. I get more newsletters than this but I usually only open up and read the ones I've noted above.

I have a bias against excruciatingly short newsletters because I don't feel they give enough meat. I like the longer, more involved newsletters because they provide me with substance and value.

The best ones I print out and leave in the bathroom. That way I know they'll get read (oops, too much information, Dave).

You'll notice that most of the newsletters I read are marketing oriented. If I was into dogs I would probably have the same size list but they would all be dog oriented newsletters.

Decide on the Content

The content of your newsletter should also be in sync with your objectives. If its to build relationships you might consider using only personally written articles with an interactive question and answer section.

If your objective is to sell advertising then you should consider an advertising section. Again, whatever you include in your newsletter should have a specific purpose that is in line with your objective.

The following are several ideas for content that you might consider for your own newsletter:

1. Recent industry or company news
2. How-To tips, hints, and articles
3. Reader's answers to other reader's questions
4. Your answers to readers questions
5. Readers testimonials, opinions, and feedback
6. Customer stories or case studies
7. Guest experts corner (for guest articles)
8. Editor's opinion corner
9. Recommended web resources
10. Classified advertisements

11. Contests
12. Expert interviews (by you)
13. Product reviews (books, tools, websites etc.)
14. Jokes, quotes, and anecdotes
15. Results of tests and polls
16. Progress on specific projects

Your content is only limited by your imagination. Many of the above mentioned newsletters contain one or more of the 16 types of content I just mentioned.

For instance, the Wordnet Chronicles has a project called, "SquiddlyBob." SquiddlyBob is an online product review business that is being developed and launched by Wordnet.

In each issue Ralph Hilliard survey's his readers for input on the project and he also updates the reader on the progress he's made. It makes for some very interesting reading.

Both the Publicity Hound and DEMC newsletters include answers from readers that were asked by other readers. It's interesting reading other people's views and opinions (I've contributed my own opinions to both those newsletters on several occasions - it was fun!)

How to Create Your Content

Fear of the inability to create worthwhile content is probably the number one cause of people not starting their own newsletter. Some people think they can't write and so they don't.

Listen, everyone can write about something. Everyone has something worthwhile to say. Just go for it. Now, I know that sounds like a silly recommendation but you'll never get started if you don't try.

Step 1 - Pull out a calendar and make a writing schedule with deadlines. If your newsletter is scheduled to go out every Wednesday, then your article deadline should be noon on Tuesday. This will give you time to proofread your text and assemble the newsletter.

Step 2 - Make a list of topics that you want to write on. Magazines call this their editorial calendar. You should develop your own editorial calendar so that you know what you're going to write well in advance of your deadline.

With an editorial calendar you'll find yourself saving content and ideas that you've run across that will help you write your articles. It will also discipline you to think and plan

in advance for your articles. They will be more well-thought-out and higher quality when you know what you're going to write about in advance.

Step 3 - Once you sit down to write, gather any sources of information that you've collected on the topic. With a blank sheet of paper, start brainstorming ideas... anything that comes to your mind about the topic. Don't worry about the merit (how good or bad they are) of your ideas; just get them down on paper.

Step 4 - Now that you have a bunch of ideas, start to categorize them and put them into some semblance of order. What you'll find is that this is much easier than you thought. Yes, some ideas won't fit anywhere, but for the most part, you'll easily be able to create an outline that has order and makes sense.

Step 5 - Now comes the easy part. Start writing what you know under each topic that is in your outline. Viola! Before you know it, you'll have a great article to publish.

What If You Just Can't Create Content or Don't Have the Time?

I always recommend that people come up with own content but if for some reason that isn't possible, here are some options:

1. Go to <http://www.Elance.com> and have someone do the articles for you.
2. Visit "free reprint rights" directories and use their articles. However, these directories usually contain marketing-type articles. Here are a few:

Marketing Seek <http://www.MarketingSeek.com>

Idea Marketers <http://www.IdeaMarketers.com>

Yahoo Groups (Yahoo groups have many free reprint rights mailing lists)

Ezine Articles <http://www.EzineArticles.com>

What to Do With Your Articles Once You've Created Them?

Once you've written an article you have created an "asset" that can be used in multiple ways that benefit your business. Don't underestimate the positive benefits that your article can bring to your business. Milk your content for all its worth.

Here are some ideas to get a lot of mileage out of your articles once you've created them.

Idea # 1 – Create a resource box at the end of the article with your name, your marketing message, and contact information. Then submit your article to newsletter article directories such as the ones I’ve given you above. Publishers will consider your article for reprint in their publications.

Idea # 2 – Develop a list of ezine publishers and ask them for their permission for you to send them your completed articles for consideration in their newsletter. You’d be surprised how many will say, “Sure.” This list of publishers will become a goldmine for you as you continue to publish more articles.

Idea # 3 – Submit your articles to offline, brick and mortar magazine publishers. Many small magazines are dying for good content. Again, you’ll be surprised how often you’ll get published. There are also a lot of offline newsletters and journals that may be interested in your article.

Idea # 4 – Post your articles on your website. Make sure you search engine optimize your webpage for the article that you’ve written. This means, create meta tags for the title of your article, a brief description of your article, and keywords for your article. Once your website gets spidered, your articles may land in the top ten under the keywords and phrases you’ve chosen.

Idea # 5 – Compile your articles or groups of your articles and create a free viral ebook with links inside that will bring traffic back to your site. Send them out to your list and invite them to pass them along to their friends and associates. Before you know it, you’ll have thousands of copies of your ebook floating out on the net bring you traffic from the four corners of the world.

Idea # 6 – Assemble your articles and create an ebook that you can sell for profit. This is an easy way to develop your own book. You might even consider self-publishing the book. Visit www.booksjustbooks.com or www.MorrisPublishing.com to learn more about self-publishing your own book.

Idea # 7 – Assemble a few of your articles into a five or six part email Autoresponder course that you can offer to your visitors in exchange for their email address. This tactic has worked excellent for me. I space my ecourse installments four days apart and send it to every one who signs up to my newsletter.

Idea # 8 – Create special reports out of your articles and sell them for profit on your website. You can even take your articles and create an audio recording of them and sell the audiocassette tapes off your website for a higher price.

These are just a few of the innovative things you can do with your article archive. The possibilities are endless. If you’ve put the sweat and tears into producing your article, make it work just as hard for you!

What Makes an Ezine That Gets Read?

It's no use sending your ezine to thousands when it only gets read by a few people (it happens). A successful ezine is one that people open up and read as soon as it arrives. So what make an interesting ezine?

I believe there are five factors that make for an interesting newsletter...

Factor # 1: Interactivity

People like to get "involved" in things. They like to feel like they are a valuable "member" of a group. Interactive newsletters by nature make the reader get involved.

Conducting surveys, asking for answers to questions, and gathering opinions on things (products, websites, issues) are simple strategies for getting people to interact with you and your readers.

Factor # 2: Personality

People are attracted to real personalities - - if you don't believe me just turn on the television. You'll most assuredly find a reality-based television program playing that is full of personalities.

Injecting your personality into your newsletter makes it interesting. I read Damon Zachariades', Web Business Today newsletter for that very purpose. It is written with a whimsical personality woven into his opinions and comments.

Include your opinions, rants, raves, and personal experiences into your newsletter to give it personality. Don't hold back. People will either like you or hate, but either way, they'll probably read your newsletter.

Factor # 3: - Utility

Newsletters that don't give useful information will not get read. Include content that people can use to improve their lives, jobs, businesses, relationships etc.

If you are promoting yourself or your business, give your best tips. Yes, give the good stuff - - don't hold back. I've received many e-mails asking me why I give out such in depth information for free.

The answer is simple, 97% of all people will never implement it! They're either too lazy or too busy (usually the latter). By giving your best information your subscribers will come to trust and respect you as a true expert and will call on you when they need your services rather than do it themselves.

Factor # 4: - Attractive

Face it, no one is going to read your newsletter if it's a bunch of long paragraphs all bunched together. Ezines that are easy to read and attractive get read.

I'll talk about formatting in a minute so I won't say more about this topic.

Factor # 5: - Relevant

Your newsletter should be relevant to your target market. If you're trying to sell marketing services then don't write about logistics or human resources. Write about marketing topics.

If you make the topic of your newsletters relevant, people who are not interested will opt out. That's not a problem because they probably weren't going to be your customer anyway.

Step 3 - Decide on Your Frequency

How often you send your newsletter is important. You'll find that there are usually six choices when deciding on when to send a newsletter:

1. Daily

Daily newsletters require a significant commitment unless they are very short. Usually daily ezines consist of brief tips, quotes, or news updates.

If your newsletter will contain "evergreen" content (nice-to-know anytime information) you can create each installment in advance and put them into an autoresponder to be sent automatically.

2. Weekly

Most newsletters come in a weekly format. Most publishers will tell you that Tuesday, Wednesday, or Thursday are the best weekdays to send your ezine. On Monday you'll most likely compete with the weekend's spam and on Friday you'll be competing with the golf course.

Another thought is to send your ezine exactly seven days after their sign up day. The theory is that the day they signed up is the day that they are usually online surfing the net (this strategy is particularly effective using an autoresponder).

3. Bi-Weekly

One installment every two weeks is a comfortable period. Some marketers will tell you that every 21 days is the "right" customer contact period that doesn't abuse the reader and arrives right at the "forgetting" point.

4. Monthly

Once a month is just beyond the forgetting point. However, it is a convenient time period because it gives you a good "end-of-the-month" deadline to adhere to.

5. Quarterly

Sending your electronic newsletter quarterly is simply a waste of time. Why do it. You've nullified most of the benefits of having a newsletter if you're going to send it once every 90 days.

People will forget who you are and just delete your message when it arrives. You'll have a lot of unsubscribes.

6. Whenever

Sending your newsletter whenever you can is not optimal (unfortunately, this is my current operating schedule). The most effective newsletters follow a consistent delivery schedule.

When people are used to your newsletter arriving on a certain day, they're more likely to open and read it.

Step 4 - Decide on Your Format

The format of your newsletter takes on many issues. In the end, you want to use the format that meets the objective of your newsletter and the reader's personality.

Basically, there are two formats to choose from - text or html. An html newsletter is graphical and looks much like a webpage. A text newsletter is simply a message sent with words and no graphics.

Text vs HTML

Currently, there is a raging debate about whether to send text-based newsletters or html (graphical) newsletters. Many e-mail systems still treat html newsletters in unpredictable ways.

It may arrive looking great and it may arrive looking like a scrambled egg. It's my opinion that in a couple of years, the debate will be over and every one will be sending html newsletters.

Why?

Because people like colors and graphics. Ads with colors and graphics generally outpull those that don't graphics. This is particularly true with consumer products.

If you do decide to develop an html newsletter, consider buying a professional newsletter template. Once that is specially designed to arrive intact. Visit <http://www.DesignDoodles.com> for a look at some templates.

Always test send your newsletter to see what it looks like using different e-mail programs such as hotmail, yahoo, MS Outlook, or Eudora.

Text Formatting

If you decide to send your newsletter using a text-based format there are a number of tricks you can use to make it readable and pleasing to the eye.

Most of these formatting tricks I've learned from receiving other newsletters. I've taken the best of what I've liked from other newsletters and use them in my own.

Here are few rules that I use when formatting my text-based newsletter:

Rule 1. Wrap your lines at between 55 to 60 characters long. This way other e-mail programs will read your line length correctly.

Rule 2. Use solid horizontal lines for headlines and subheadlines. It allows your reader to skim through your newsletter and find topics of interest.

Here is an example of a headline:

“How to Improve Your Business with Less Effort”

Rule 3. Leave two or three spaces on the left margin. It just gives it a professional, clean look.

Rule 4. Use an attractive header. The header I use was adopted from Jim Daniels Bizweb Gazette. You'll find there are a lot of designs you can do with text characters.

The heading should also give the newsletter name and publication information (i.e. issue number, issue date, your name and website address, maybe even your circulation count etc.)

Rule 5. Leave a lot of space (one line minimum) between paragraphs. This allows your newsletter to "breathe." It's easier on the eyes and simpler to read.

Rule 6. Never use more than six to seven lines per paragraph. Again, spacing is very important when using text characters. When you have more than six lines, paragraphs become intimidating.

Rule 7. Don't create your newsletter in MS Word and then copy and paste it into your text editor. It will bring over weird codes that you can't see that will show up in your reader's browser, but not yours.

Rule 8. Use a lot of bullet-pointed lists. Lists are simple to read and are easier to comprehend. Use arrows, stars, numbers, dashes, stars, carats etc. to start the lines in your list. Here's some examples:

- word

* word

=> word

1. word

> word

~ word

Rule 9. Use endings to end your newsletter. You can include specific instructions, your contact information, and any copyright clauses.

Rule 10. Use a table of contents if you have multiple, distinct sections of your newsletter. This way your reader knows what is inside and what to expect right away.

Step 5 - Develop a Strategy for Capturing, Storing, and Managing E-mail Addresses

It makes no difference if you have a fantastic newsletter if you have no one to send it to. You must develop a strategy for capturing your visitors e-mail address.

Here are a few tips to start you off...

Online Strategies

Tip # 1 - Put an optin box on every page of your website. Go to <http://www.PublicityHound.com> and notice Joan Stewart's optin box. It's in the same place on every one of her pages.

Tip # 2 - Use a popup to ask people for their e-mail address. Although most people hate popup, they work. Your optin rate will increase the moment you start using a popup.

You might consider using an exit popup or popunder, which is displayed as your visitor leaves your site. This is less obtrusive.

Tip # 3 - Put your sign up box front and center on your home page. You'll find I use this strategy on every one of my sites because I've tested it and it works.

Visit <http://www.MarketingBestPractices.com> and you'll see exactly what I mean. When someone lands on my sites there is no confusion as to what I want them to do first, before anything else.

Tip # 4 - Require an e-mail address to access important information or tools on your site. A good example of requiring e-mail addresses to access valuable tools can be found at <http://www.jimtools.com> and <http://www.netgarage.com>

Tip # 5 - Buy subscribers. There are services that allow you to buy subscribers for a small fee of between \$.10 - \$.25 per subscriber. Here are a few;

1. Lead Factory <http://www.LeadFactory.com>
2. Hip Lists <http://www.HipLists.com>
3. Worldwide Lists <http://www.WorldWideLists.com>
4. List Opt <http://www.Listopt.com>
5. List Universe <http://opt-influence.com/co-reg>

I always recommend that you start your newsletter by purchasing around 1,000 subscribers. This way your newsletter gets off to a good start and it will motivate you to continue.

I personally use Lead Factory. They are one of the few services that will directly send optins to my database without any manual intervention (big time saver!)

Offline Strategies

Tip # 6 - Ask for your customer's e-mail address at the point of sale by offering something of value for free such as coupon and sale alerts.

Tip # 7 - Hold a contest with your customers in which the winner will be announced by e-mail. This requires them to give you their e-mail address.

Tip # 8 - A variation of this is to do a joint venture with another business. Suppose you approached a restaurant and offered to award one of their customers each week with a

free lunch or dinner for two in exchange for the name, address, and e-mail address of all the customer's that signed up.

Your JV partner would receive the goodwill of giving something of value away to their customers for free and they would be able to start building their own, in house e-mail list.

Storing and Managing E-mail Addresses

There are basically two methods to store and manage e-mail addresses, (1) from your desktop or (2) from an Internet-based service.

Each has its pros and cons. Let's review each strategy.

1. Desktop-Based Newsletter Management

This approach requires you to use a desktop software package. A few software options for doing this are:

- Gammadyne Mailer <http://www.Gammadyne.com>
- Mailloop <http://www.Mailloop.com>
- Group Mail <http://www.group-mail.com/>

The PRO's of using a desktop-based system are:

- More control over your own data
- You know what got sent and what didn't
- Usually a one-time only cost

The CON's of using a desktop-based system are:

- It is a very labor intensive process
- You could be accused of spamming by your ISP

NOTE: If you're sending bulk e-mail through your ISP, give them a call and let them know you're sending out your newsletter in advance.

- It will hog your computer's resources
- It is usually very slow

2. Internet-Based Newsletter Management

This approach requires you to subscribe to a monthly service. A few Internet-based options for doing this are:

Integrated List Management, Autoresponder, and Shopping Cart

- <http://www.1ShoppingCart.com>

Autoresponder Service such as

- <http://www.GetResponse.com>
- <http://www.Aweber.com>
- <http://www.ProAutoResponder.com>

List Managements Services such as

- <http://www.SparkList.com>
- <http://www.Topica.com>

The PRO's of using a Internet-based system are:

- Your data is protected (most services have strict backup procedures)
- It is accessible from anywhere that there is access to the Internet
- Usually it's fully automated (i.e. It automatically manages subscribes, unsubscribes, bad e-mail address purges, reporting etc.)
- Less worries about getting accused of spamming

The CON's of using a desktop-based system are:

- Monthly fees can be expensive
- If your service goes down, so do you
- You lose some control over the sending process

More and more people are turning to Internet-based systems to manage their lists. I personally use 1ShoppingCart.com to manage my list. It's relatively inexpensive and has a lot of functionality that I use on a regular basis.

Step 6 - Set Up Your Newsletter Management System

Once you have decided on the objective, name, content, frequency, format and tools you'll use to manage your newsletter, it's time to actually set up the system.

You'll probably need some help from the service that you are using to set up your system. But the first step is to...

1. Gather all your e-mail addresses

Gather the e-mail addresses from all the business cards you've collected, the contact information in your rolodex or contact management system, and any other source of contact information. This will be your initial mailing list.

The second step is to...

2. Install and set up your system

This will include setting user preferences and options to customize your newsletter service.

If you went the software route you'll usually have detailed instructions that come with it. If you went the Internet-based route there should be some online instructions. In either case, there should be a tech support line in which you can get the help you need.

The third step is to...

3. Hook up your website to your system

Finally, you'll need to modify your website to work with your optin boxes so that subscribes and unsubscribes are automatic.

Some people will probably need to hire a webmaster to get this working for you. You can always call on a technical person to help you over at <http://www.RentaCoder.com>

In some cases, your website and newsletter management system might not be hooked together at all. This is especially true with desktop-based systems.

Step 7 - Create and Test Your First Newsletter

It's time to actually create your newsletter and test it. Simply write your article, format it, cut and paste it into your system and send it to yourself.

As I already mentioned, consider sending it to multiple e-mail accounts that use different email programs such as hotmail, yahoo, MS Outlook, or Eudora.

Consider sending it to a few friends to get their feedback. You'll find their comments helpful, because they'll probably see some things that you've missed or they might have a different email program that manages your newsletter in a different way.

*** * TextPad * ***

If you are creating a text-based newsletter a good tool to use is TextPad (<http://www.TextPad.com>) In fact, I'm typing this newsletter in TextPad right now.

TextPad is a free tool text editor that will save you a lot of time formatting your newsletter. Specifically, it will automatically wrap your lines to whatever character count you desire (55 - 60 characters as recommended).

*** * Spam Checker * ***

You should also consider sending it to a spam checker service. These types of services are relatively new but are free. Most spam checkers will give you a number score that represents the likelihood of your newsletter getting misinterpreted as spam.

SiteSell.com has recently produced a free spamchecker for ezine publishers. Simply visit the link below and follow the instructions.

<http://spamcheck.sitesell.com>

Step 8 - Launch Your Ezine

Launching your ezine is the simplest step. All you have to do is close your eyes, push a button, and off she goes!

It's actually a lot of fun. If you've made your newsletter interactive you'll start getting emails back from people. Before you know it you'll find that you've created your own fan base and user community.

Step 9 - Continue to Improve Your Newsletter

Make sure that you ask your subscribers for their opinion on how to improve your newsletter. You'll always get some valuable feedback. Subscribe to other newsletters and incorporate what you like from their newsletters into your own.

Your newsletter should always be in a state of flux. By that I mean that you should always be looking for new and different ways to make it achieve your objectives.

General Online Newsletter Tips and Advice

The following are list of do's and don'ts I've learned over the past two years of publishing my own newsletter.

Again, they are not in any particular order. However, they could be the most important advice you've received in this article...so pay attention.

Advice # 1 - You are going to get negative feedback and complaints. That's just a part of doing business, whether its online or offline. Don't let it get to you.

Deal with complaints professionally, pleasantly, and unemotionally, always giving the benefit of the doubt to your subscriber.

Advice # 2 - Try to spell and grammar check your newsletter. I've been hammered on this too many times. People tend to latch on to small errors with animal magnetism (and they let you know about it).

Spelling and grammar does affect the way people perceive you, even if you have great content (unfortunately).

Advice # 3 - When you get kudos from people, save them. Put them in a testimonial file and use them in your marketing efforts. They are invaluable.

Advice # 4 - Save all your articles. You'll find that you can reuse them over and over again. Also, submit your articles to other website and newsletter publishers.

Make a list of publishers that you send your articles to after you have sent out your ezine. This will bring you a fresh stream of new visitors from content that you had to create anyway.

You might even consider putting your articles in an ebook and sell them or use them as a viral marketing tool to give away to other people.

Advice # 5 - Put you articles on your website and make sure you optimize your meta tags (i.e. title, description, and keywords) so that they get found by the search engines.

You'd be surprised how much traffic you can generate through free search engines with your article archive.

Additional Resources

The following are several additional resources that will help you start and manage your own ezine.

<http://www.EzineQueen.com>

<http://www.howtowriteanewsletter.com>

<http://ezine-tips.com/>

Measure Your Marketing Efforts

Allow me to start out with a typical scenario that has played itself over and over again in my consulting career, one that illustrates an important point about performance measurement.

I walk into a business and ask, “How’s your advertising doing?” The response is, “Great David.” I ask, “So what kind of response rate are you getting?”

The response? “We don’t know but we get a lot of people coming when we run our ad.”

I ask, “Well how many people do you convert that have come to the store?” The response: “Oh, we convert about half of them. We don’t track all the numbers. We’ve been doing this thing for a long time and we’ve been successful for a long time.”

It’s true. Many of my clients have been in business for a long time. It’s also true that they aren’t doing some very basic tasks that could make them even more profitable. And may I add that years of experience does not equate to marketing expertise. In fact, in many cases, many years of experience can actually be a detriment to your success.

It’s the same as saying that a person who has played golf for 20 years doesn’t need a golf lesson. The fact is that they have probably been playing with bad golf habits for many years, and the habits are now such an ingrained part of their game that they can’t even see what they need to improve.

Every small business has vital signs that tell you if the business is doing well or not. Your marketing efforts have vital signs as well that will tell you whether you are doing well in your marketing efforts. I will give you three basic measurements that you should be tracking on a constant basis.

When I walk into a business I ask three questions. First, how many calls do you get per day? Second, how many of those calls do you convert to visitors? Third, how many of those visitors do you convert to buyers? Sometimes I’ll ask if they know their closing rate per person. How can you start to improve if you don’t know where you stand today?

Incoming Calls and Walk-in Traffic

Any effort to get the phone to ring is called marketing. You spend a lot of money getting your phone to ring. One of the biggest mistakes I see is underestimating the importance of a phone call. Sometimes I feel like taping a \$100 bill onto the phone so that employees will understand the value of every phone call from a prospect.

The important question about measuring the number of incoming phone calls is not how many you should be getting. The question is, what is the trend? Are you getting more calls than last month? Are you getting more calls than this time last year? Is your trend

going up or is it coming down? Or is it at a plateau? What is the relative movement of the amount of phone calls?

If you aren't tracking this number, start doing so today! Start a phone log with names and phone numbers. The critical information that you need from every call is how did you hear about us, what is your name, home address, phone number, and email address.

If you have set up a 24-hour information line (I hope you have) you can track the amount you get from this line as well. Remember, the 24-hour information line is a recorded message line that offers free information to prospects and can take names and addresses that allow you to send them follow-up information. You should see a dramatic increase in your call volume when you install your 24-hour information line.

Now just because you are getting a lot more calls doesn't mean you are successful. You can get hundreds of calls and not have one come to the store. This would not be good! You must now track how many of those callers visit your store.

From the Phone to the Store

When a person comes into the store you need to get their name, address, and email address. This will tell you whether they were a caller that put down the phone and came into the store, or if they are a walk-in visitor with no prior contact.

Keeping a detailed log on walk-in traffic helps you determine the source of your traffic. For instance you will know how many visitors come in from the following marketing efforts:

- Phone calls
- Storefront sign
- Yellow page ad
- Newsletter offer
- Newspaper advertisement
- Radio advertisement
- T.V. advertisement
- Referral from a friend
- Website visit
- Home show visit
- Direct mail campaign
- Newspaper insert
- Flyer

It would be extremely helpful to know which of these marketing efforts are paying off for you. Understanding the source of your traffic will allow you to, perhaps, reallocate your marketing investment into higher response type marketing media. I have known some businesses to stop doing Yellow Pages completely because the numbers told them that it wasn't a good use of the marketing dollar.

Although there are no reliable industry averages for the amount of people that you can get to come into the store from a phone call, if you can convert 50% you're doing pretty well. The idea is to improve your phone call close rate over time.

A few tips on getting people off the phone and into your store:

1. Make them an offer to come in. You might give them a complimentary audiocassette on how to buy a spa. You might have gotten a great deal on a premium that you can give out to those who come to your store (towels, shirts, mugs, movie tickets etc.).
2. **Don't unnecessarily give out your prices over the phone.** This takes away the number one reason for your prospects to come see you.
3. Ask them to come in by giving them a choice of two times, one in the morning and one in the afternoon or evening.
4. Pique their curiosity by telling them you have something special to show them and that they will be pleasantly surprised when they arrive.
5. Let them know that supplies are limited and you are about to run out. If they come soon they'll be able to get one of the last ones.
6. Make specific appointments and particular time slots. This will make you appear busy and will make your caller feel that they need to get some of your limited time.
7. Highlight your unique selling proposition and let them know that they won't find that benefit anywhere, and that they need to come down and see it.
8. Be nice and pleasant over the phone. It's better if a female answers the phone, because females are more trusting and pleasant than men. People like working with people they like.

Measuring Closure Rate

The third measurement to be concerned with is how many visitors you convert to spa and pool owners. Understanding this statistic will require you to keep strict records on how many people come to visit your store each day, each week, and each month. These numbers should be segmented by the source. Here is an example of what the form might look like:

Date	Name	Address	Phone	Email	Source	Status	Phone
11/20/2001	John Feinstein	1432 Hock Way	232-889-4556	Jfein@Juno.com	News Ad	Close	Yes
11/20/2001	Mary and Tom Hamner	34 Post Oak	232-009-4538	MTHammer@ev1.net	News Ad	Close	No
11/20/2001	July Berkenstock	3390 Uinta Way #24	232-443-8854	Julv@JSC.com	Referral	Pending	No
11/20/2001	Joe and Cindy Belcher	909 Johnathan Smelcher Dr.	232-996-6835	Joe@aol.com	Drive By	-	Yes
11/20/2001	Mindy and Sam Steed	887 Restinia Blvd.	232-996-9356	Mindysam@aol.com	News Ad	-	Yes

The "phone" column means that they called before they came. Keep it simple or make the form more elaborate, but be sure that it tracks information about where they heard about you, how many you closed, and if they called before they came. From this information you can determine the measurements we have talked about which will help to determine how well you are spending your marketing dollars.

Tracking response rates by asking people about where they heard about you is a somewhat slippery slope. In general, people aren't sure where they heard about you. This is especially true when you do a lot of radio and T.V. advertising. However, I would still maintain a log because it's an effective way to capture referrers and other forms of advertising.

Yellow Page Secrets



**How to Make Yellow
Page Ads Work for
Any Small Business!**

By David Frey

How to Make Yellow Pages Ads Work for Your Small Business!

Yellow Pages ads can bring you a pot of gold... if they're done correctly. The book is often the first place that buyers go before they decide from whom to buy. Eighty-four percent of the people who go to the Yellow Pages contact a business listed there and 49% of them actually go on to purchase something from that business. That is why Yellow Pages are so important!

People go to the Yellow Pages with intent to buy. You don't have to create demand for your product; it's already there. All you have to do is convince the buyer that you should be the business that they call first.

The only downside to Yellow Pages advertising is the cost of the ad placement. It's not a one-shot deal. It is a commitment for a full 12-month ad run. It is essentially the same as going down to your local paper and making a deal to run an ad every day for the next year without the opportunity to stop or change the ad throughout the year. That's a huge risk. I don't know any businesses that do that except for car dealerships, but they get to change their newspaper ads as often as they like.

95% of All Yellow Pages Ads Are Weak!

As you can see, Yellow Pages have a potentially big payoff but also have a big risk factor. That's why you need to be very careful about any ad that you place. It needs to be a winner. If it isn't, you'll be flushing your money right down the tube every month and there's nothing you'll be able to do about it. If you're going to advertise, make it pay off.

The good news is that 95% of all Yellow Pages ads are WEAK. Why? Usually, because small businesses worry more about how much they are going to spend rather than the ad itself. Far too many businesses let the Yellow Pages company do the ad design and layout. Big mistake!

This is the advice you'll typically get from a Yellow Pages rep:

- Use a big ad
- Use a heavy border around your ad
- Add color to it
- Use a bigger ad
- Make your name and logo really big, and have a lot of "white space" in your ad
- Use an even bigger ad
- Give your hours of operation, phone number, address, as well as the MasterCard and Visa logos (if you accept them)
- Use more than one really, really big ad under multiple listings!

The Yellow Pages companies have no incentive to make your ad work. They only care about how much they will make from the ad. That is why I always recommend having a professional marketer do the design, or at least do an assessment on the ad. Listen, it costs the same to run an ineffective small business Yellow Pages ad as it does to run a super-responsive one. Why not make it responsive and get your money's worth?

Your Primary Yellow Pages Objective

It's critical to know what your primary Yellow Pages objective is before you begin to design your ad. I'll cut to the chase right now. Your primary objective is to get your prospect to call you. Not to sell them on your product, not to get them to come into your store, but to call you. Besides, that's why they grabbed the Yellow Pages anyway, to make a phone call.

Knowing this now, you should design everything in your ad to get them to not only give you a phone call, but to be the first and only one they will call. That is the first step. Once you get the phone call, your primary objective is to get them to visit your store.

Before Designing Your Ad, Answer this One Question

What is your prospect looking for when they look in the Yellow Pages? The answer is slightly different for businesses selling products versus businesses selling services.

People looking in the Yellow Pages for a small business selling products are looking for:

- Something that differentiates you from your competitors and matches their wants
- An indication of price affordability and high quality
- Specific brands of products or services
- Location of store and store hours
- Contact information
- A warm, fun feeling

People looking in the Yellow Pages for a business selling services are looking for:

- Something that differentiates you from your competitors that match their wants
- An indication of price affordability
- Quality of your service
- Experience and credibility
- An indication of trust and honesty
- Location of office and office hours
- Contact information
- A warm, fun feeling

Notice the slight differences between consumers who are looking for businesses selling products versus businesses selling services. The consumers looking for services want to know about the quality of your work, your experience and credibility, and an indication

that you can be trusted. This information makes a BIG impact on how you develop your Yellow Pages advertisement.

It's important to remember that people do NOT look in the Yellow Pages to determine whether or not they should buy a product or service. They have usually already thought that through. That was phase one of their buying process. Now they are moving into phase two: the gathering of pertinent information that will help them make their decision.

You Must Be Different!

Notice the first item on both lists indicates that people who use Yellow Pages ads are looking for something that catches their eye and that differentiates you from all the other "look-alike" ads in your section. Most ads in a given category say the basic same thing.

Why?

Well, usually when the deadline to put in the ad is fast approaching the business owner will often look at what other competitors are doing and create their own, based on what other competitors have done. Now, who do you think has produced many of the other ads in that section? Right, the Yellow Pages ad company, probably the same guy (or gal) who is selling you the ad!

This is a big mistake. People desperately want to pick out something different about your ad that will make them call you. They don't want to shop all day and make a bunch of calls. They want to find a business that advertises benefits that match their wants, and then move on with the buying process.

You must be different! You must design your ad so that it stands out and provides the right information for your customer, which forces him to call YOU instead of your competition. With this in mind we are ready to talk about the key elements of your winning Yellow Pages ad.

Your Attention-Getting Headline

All good ads start with a dynamic, attention getting headline...NOT your company name or logo. I repeat, don't start your Yellow Pages ad with your company name or logo! Your heading area is the most important real estate in your entire Yellow Pages ad. Don't blow it by splashing your company name. Remember, people don't care who you are; they care about what you can do for them!

The headline is the lure that instantly communicates your primary advantage over all others. Up to 75% of the impact of your ad is determined by the headline. And a strong benefit-oriented headline can increase the pull of your ad by up to 20 times. You may also want to put a sub-headline to support the main headline.

Here are a few examples of headlines and sub-headlines from the spa and pool industry to get your juices flowing. Don't get hung up on the spa and pool stuff. Apply the style to your own small business:

Headline and Sub-headline # 1:

FREE Report Reveals 10 Important Ways to Save Money on Your Custom Gunite Pool

"Learn the Insider Secrets to Getting a Great Pool at a Great Price Without All the Hassles"

Comment: Who says that your headline has to be about the product you offer or about you in general? Remember, your headline must be eye-catching and must invite your prospect to call you. This headline does both! It will also give you a chance to tackle the price issue right up front.

Headline and Sub-headline # 2:

Discover the World's First Surround Sound Entertainment Packed Spa

"Relax to Your Favorite Music While Enjoying a Warm, Soothing Rest in Your Own Jacuzzi-Equipped Concert Hall"

Comment: This headline calls out a package option that provides a unique selling proposition, in addition to summoning up comfortable and relaxing mental images.

Headline and Sub-headline # 3:

Take a Vacation Every Day Without Ever Leaving Your Home!

"Imagine Being on Vacation 365 Days a Year with Your Own Fly Away 'Virtual Vacation' Spa"

Comment: Who wouldn't want to have a life of luxury and fun in their own home? This headline provides a strong benefit and psychologically combats the competition (RV's, travel agencies, or Disneyland).

Headline and Sub-headline # 4:

**Warning: Don't Call Any Pool Business
Until You Read This!**

**"Local Pool Company Reveals the Hidden Truth to
Making the Right Pool Decision"**

Comment: This headline usually stops people right in their tracks. It is a powerful headline that almost forces your reader to look at your ad. This headline would support an editorial style Yellow Pages ad. People almost always read editorial matter over advertising (by a six-to-one margin). They also tend to believe editorial much more than advertising.

Headline and Sub-headline # 5:

**"With 15 Years of Custom Pool Design and Construction
Experience and 1,000's of Happy Customers..."**

**...You Can Be Assured that You Will Get Exactly What You Ask For
(and a whole lot more...its our promise!)"**

Comment: This headline calls out your extensive experience in providing high quality services and that you have a high rate of customer satisfaction. Providing guarantees in your headlines is also a good strategy. If your guarantee is strong and you are proud of it, why not use it in your opening headline? Customers will perceive it to be a unique advantage over your competitors.

These are just a few sample headlines that are benefit-laden and call out for your customer's attention. Again, the most common mistake that small businesses make is to slap their company name in the headlines and think that it is going to persuade someone to call them.

Here is an example of an editorial style Yellow Pages ad for a pool builder:

“Warning: Don’t Call Any Pool Company Until You Read This!”

Having a custom pool built can be a nightmare if you don’t know what you are doing. It’s not unlike building a home with contractors, permits, parts and supplies, schedules and deadlines. Without experienced oversight your pool project can easily get behind schedule and over budget.

Did you know that 80% of all custom pools built in Austin last year ran an average of \$3,500 over budget? Among the 80% were many of the so-called “national pool companies.” Many of their onsite foreman have little experience in building pools. Most are home builders turned “pool experts.”

Janis Pools has been in business here in Austin for over 30 years. We are family-owned and operated and are quality maniacs. Pardon the expression, but we take the quality of our pools very seriously. We have certified testimonials from over 500+ happy Austin residents for whom we have installed the finest custom pools and spas in the state of Texas. Our reputation is our business and we can’t afford not to satisfy you 100%.

Many pool companies will give you a choice of only a few designs, and once you sign the check you won’t hear from them until they need more money.

At Janis Pools we sit down with you one-on-one and help you design your custom pool just the way you want it. After that we personally review the construction schedule and any other concerns you might have every week!

We are so sure that you will receive the pool of your dreams that we offer you a 100% lifetime guarantee. No company in the business gives that type of assurance. Our guarantee is rock solid. How can we make that guarantee? Every one of our pool consultants has over five years in the business. They eat, sleep, and drink pools. They know what they are doing!

To learn more about building your own backyard pool we developed a special report titled, “10 Traps Every Pool Owner Must Know Before Building a Private Pool” Call our pre-recorded answering service at 345-980-1243 to get you FREE special report today.

Here is another Yellow Pages ad for a pool builder.

“With 15 Years of Custom Pool Design and Construction Experience and 1,000’s of Happy Customers...”

**...You Can Be Assured that You Will Get Exactly What
You Ask For (and a whole lot more...its our promise!)”**



Dear Joe:

*We thought we would write
you a note to let you know
how much thrilled we are
with our new pool and spa.*

*We expected to use it only
three nights a week but
we’re in there nearly every
night. It’s the only time me
and Sally get to have a
decent conversation.*

*When I was in your store I
told you I had a bad back.
Joe, it’s never felt better.
The difference is incredible!*

Well thanks again.

Mike and Sally Robles

Your dream has finally come true. You have decided to build your own backyard pool. Congratulations, you deserve it!

Now comes the hard part. Choosing a pool provider and having it built. You’ve probably heard a lot of horror stories by now from people who had to wait for months just to start construction. And after tons of cost overruns your provider

springs the bad news on to you and expects you to pay right away. What was once a dream has now turned into a nightmare.

At Janis Pools we have a client list of literally 1,000’s of happy customers. We’ll even let you talk to them. Every one of them! **We guarantee that we will do the job right the first time.** Call for our FREE ‘Insider Secrets special report.

We Keep Our Promise!

- Free Designs
 - Free Estimates
 - 100% Financing
- Call Right Now!**

Bells and Whistles

- Gunte Pools
 - 450 SqFt Water
 - 3’-5’ Deep
 - Pool Pump
 - Heater/10’ Gas Line
 - Auto Clean System
 - Auto Chlorinator
 - Moss Rock Waterfall
 - Flagstone Coping
- ...and more!

**“Insider Secrets to
Building the Pool of
Your Dreams”**



Call our toll free 24-
hour message line at

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To Get Your **FREE**
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Humble, Texas 77077
345-876-9928
(Next to Walmart)

JanisPools.com

Give Your Prospect a Reason to Call You

When your prospect finds your ad and reads it, he is determining whether or not to call you. Give him a good excuse or strong reason to pick up the phone and call you. I can't think of a better reason to call a business than to receive free, valuable information.

This form of marketing is commonly referred to as **Education-Based Marketing**, and is in my opinion, the most effective marketing that a business can engage in. If you do it right, you'll have customers running to your doorsteps.

Your first step is to create a report that you think would be valuable from your prospect's point of view. "Five Things You Must Know Before You Buy a XXXXX" or "How to Shave Thousands of Dollars off the Price of Your XXXXX." Your prospects desperately need this information and will want to contact you to get the information.

You can ask them to call you directly, go to your website, dial a local 24-hour voice recording to give their name and address, or come down for a personal store visit to pick up the information.

If you were an attorney you might include phrases in your Yellow Pages ads such as:

1. See Why Law Magazine Rated Us #1 in "Best Bang for the Buck":
www.yourfirm.com
2. In the Dark about Divorce? Download "Divorce By the Numbers" at
www.yourfirm.com
3. Find Out More About How To Get Your Share Of The Divorce Settlement At
www.yourfirm.com

Another tactic would be to use a toll-free recorded message system that captures people's names and addresses. For example, assume you were an accountant. You might include a section such as:

Dial 1-800-000-0000 to Get the Answers to These Questions:

1. What is the single biggest overlooked tax deduction for small businesses? Ext. 1453
2. What is the number one mistake that small business people make when doing their own books? Ext. 2213
3. Want to know a local Friendswood small business has legally avoided paying taxes for the last 10 years? Ext. 4453

This may be the single most effective element of your entire Yellow Pages ad. I strongly urge you to include this component in every one of your Yellow Pages ads.

Add Action Pictures

Nothing can turn a mediocre Yellow Pages ad into a great one faster than the right picture. It can be, in some instances, even more of a grabber than the headline. If you decide to include a photo in your small business Yellow Pages ad, ensure that it depicts the benefits of you are selling. You want your prospect to see themselves receiving the same benefits that they see in the photo.

With that said, don't go overboard with the size of your picture. Remember, the bigger the picture the smaller the selling space you have to work with. Your photo should support the ad copy, not overpower it. In fact, big pictures attract attention but do little to get your reader to actually call you.

The whole reason you want to use a photo is to obtain some kind of emotional response from your reader and to catch their eye. Make the picture an eye-grabber and make sure that it shows people using and enjoying the benefits of your product or service.

On the other hand, you could also effectively use a "before" picture of someone (or something) before they've received the benefit of your product or service. Over dramatize the picture so it catches people's eyes. For instance, a "before" picture for a drycleaner would be a man in a suit that has thousands of crumples and crinkles.

Another good example for a house cleaning service would be a picture of a business woman with her hair going in a thousand directions (like she just put her fingers in a light socket) while she's crying and her makeup is streaking. Your headline could say, "Help! My House is a Freakin' Mess!" OK, you might want to leave out the word, "Freakin'" but you get the idea.

Be sure to put your photo on the left side of the ad. This is very important as people read from left to right and if you put your graphics on the right side their eyes will pull directly to the photo and miss all of your content. In addition, don't include drawings and sketches. They reek of cheapness. If you are going to use illustrations always use photos.

Include Benefits, Benefits, Benefits

Leave room for your biggest customer-centered benefits. Ask yourself why people would want to do business with you and not anybody else. Don't tell me it's because you or your business has won a bunch of awards. Your customers don't care about that. They care about what THEY get out of the deal.

For example:

- "100% No-Questions Money-Back Guarantee"
- "Houston's ONLY Board-Certified Specialist"

- “We’ll Do It Right, Or You’ll Get It FREE”
- “FREE Checkup, FREE Cleaning, FREE Treatment”
- “Nation’s Only Chip-Free, Crack-Free, Rip-Free Surface”
- “Delivered Same Day... Guaranteed!”

Give your reader your strongest selling points — or the single biggest benefit they’re likely to care about most. The benefits you list should clearly separate you from your competition. Readers should be able to look at your ad and say to themselves, “I’d be a fool not to call this business.”

Make a Specific Call to Action

Don’t be vague. End your ad with a firm call to action. In other words, you want your reader to do something, don’t you? Well, you’ve got to tell him or her exactly what you want done.

Tell the reader to pick up the phone and call now, or tell them how they’ll benefit from calling you right now. People need to be led. If you ran two Yellow Pages ads that were identical in every way, but one had just a phone number, while the other one instructed the reader to “pick up the phone and call now,” the one with the call for action would out-pull the other by a large margin.

Consider Including Some Customer Testimonials

Testimonials are a powerful tool for creating trust and believability. We as humans have an internal urge to follow what other people do; we have an internal resistance to venture out on our own and be guinea pigs. If we see someone else do it, then something triggers inside of us and tells us it’s OK for us to do it too.

Why do you think people put a few dollar bills in their tip jars at the beginning of the night to simulate tips left by prior customers? Or why do you think some Evangelical preachers have been known to seed their audience with “ringers” who come forward at a specific time to give witness and donations? It’s the same reason we label some of our products “best sellers.” You don’t have to convince your customer that it is a good product. The fact that so many other buyers can’t be wrong is proof enough.

Be Easy to Contact

Nothing is worse from a customer’s perspective than not being able to contact you. Include your email address, phone number, fax number, address and if you’re the owner, you might even consider leaving your personal number! Take customer calls at home? Egad, no!

What stronger statement can you make about customer service than to give your personal home number? The fact is that most people won't call you. They will respect your privacy and admire you for being courageous enough to include your personal phone number.

You might even consider — no you should strongly consider — including a small map to your store location. Your store location might be the only reason they are looking in the Yellow Pages anyway. If you speak Spanish and that is important, make sure you tell your reader, “Si, se habla español.”

Insist on Seeing a Proof

Even the best phone directories aren't always accurate. But there are so many things you can get wrong on a Yellow Pages ad that it would be suicide not to get a proof before it gets printed. Barry Maher, a Yellow Pages expert, shares several stories where a mistake in just a letter or two in an ad has meant disaster.

One plumbing company had their non-local address printed in their ad three years running, which dropped calls from 40 per day to only four. A dental ad went south when his slogan ran, “Where Caring Treatment Costs More” when it should have been “Where Caring Treatment Costs No More.” He had people calling in asking how much more. Another ad for a therapist read, “Dan Hadley, the rapist” but was supposed to read, “Dan Hadley, therapist.”

Are Bigger Ads Better?

Yes, ad size definitely matters, but you can waste a small fortune buying more than you should. All other things being equal, bigger ads do get a greater response. They also get the best placement, which is at the front of your category. Sometimes placement can be even more important than size. The good news is that all things are seldom equal. Your ad, which may not be the biggest, or sitting right up front, can be just as effective, or even more effective, than a gigantic ad at the front of the heading.

The first thing to do is have your rep show you where you would be placed, based on the size of the ad you're considering. This should give you a good idea about your relative position. Determine if you can move up a little by making your ad the next size bigger without a big jump in cost, or move back a little by reducing your ad size without a significant shift in placement but a reduction in cost.

Determining the Optimum Size of Your Ad

Remember, all things being equal, a larger ad will increase its pulling power by a larger percentage than the difference in cost. Suppose you currently run a simple listing and get

X responses. If you went to the smallest available “display” ad (usually a 1/16th page), you should get 13X responses for only a few times the cost.

If you further increase its size to a 1/8th of a page, your cost will less than double (because of volume discounts), but you’ll pull another 5X the response. If you go from a 1/8th page to a 1/4th page, your cost less than doubles again, and your response should jump by another 3X. Increasing a 1/4 page ad to a 1/2 page ad brings in another 3X response, again for less than twice the cost.

So going from a 1/16 page all the way to a 1/2 page results in less than a 8 times increase in cost compared to a 45X increase in response. Frankly, that sounds like quite a bargain.

Again, these numbers are based on merely increasing the size of the ad, not changing it in any other way. I rarely recommend using a full-page ad; it’s just not worth it. You’ll get close to the same response with a 3/4 page ad.

Should You Use Color?

This question is always one of the first asked of me by small business people. My response is always, “Maybe.” Red, blue, green, and white are all eye-catching but is it worth paying 50%-60% more?

Unfortunately, color ads usually cost at least two times (or more) the normal price. I am a believer that a color ad will most likely have a decent pull. However, I am also convinced that a well-developed black and white Yellow Pages ad can have the same or even stronger pull.

As a matter of fact, I would recommend changing the size or placement of your ad before you consider using color. Remember, people will call you based on the content of the ad. The photo and color of the ad only support the content. If you get the content right, even if it’s not in color, you are going to enjoy an advantage over all your competitors.

However, with all that said, if you have the budget for a color ad, and you’ve designed a strong pulling ad using Yellow Pages ad best practices, then why not use color? For a well-established business with the cash flow this might be a smart choice. For the up-and-comer, I suggest being conservative — be a smart advertiser before being a flashy one.

Tracking the Success of Your Yellow Pages Ad

Do you know what percentage of your business currently comes in through the Yellow Pages? If you know how well your current ads and listings are working, you can make informed decisions about next year’s program.

Track your ads. Ask your customers if they found you in the Yellow Pages. If you have multiple ads under different headings or listings or even in different directories you may want to ask them, “What page of the phone book did you find our number on?” The book

will probably be right in front of them. The page number will tell you which directory and which listing section.

If you advertise in multiple Yellow Pages, consider using separate phone numbers. Develop a call log to keep track of the calls that come from the different ads. This will allow you to have empirical data from which to decide whether it's advantageous to be in more than one Yellow Pages book.

Here's a Little Secret that Will Ensure that Your Yellow Pages Ad is a Success!

If you use these concepts and techniques when you create your Yellow Pages ad, you'll be able to easily adapt it to work in your local newspaper. Suppose you came up with two or three (or more) Yellow Pages ads and tested them individually by running them in the local paper. By carefully tracking the ads you will immediately find out which ones are most effective and pull the best.

Put your best-pulling ad in the Yellow Pages! If you really get serious about this you may want to try more than two or three ads in your test. Test different headlines, appeals, rationales, offers, etc. Find the combinations that work the best. This information will be valuable for years to come.

How to Save up to 50% on your Yellow Pages Ads

Yellow Pages advertising is a huge investment for most small businesses. To make things worse is the proliferation of new Yellow Pages books. There are few things worse than having to advertise in not one, not two, but three or even four Yellow Pages books just so that you're not left out of the game. So I'll share with you how to buy your Yellow Pages ads for half what you'd normally pay. This advice alone will be worth thousands of dollars to most small business owners.

How To Determine In Which Directories To Advertise

Perhaps one of the most common complaints from small business owners is that there are too many Yellow Pages directories that drive up their marketing costs. There are basically three types of business phone directories — the phone company's directory (i.e. AT&T or SWB), regional directories, and local neighborhood directories. The one thing to remember is that all of these directories get used!

Your customers are picking up each and every one of the books on the market. To what extent they get used will vary from market-to-market, depending on the quality of the independent's book and the size of the market you live in.

Do your homework. Don't rely on the sales reps from each of these companies for non-biased information on their usage. Ask your customers, neighbors, friends, and relatives.

See which book they use. Don't ask them to give you a name. Take the cover of each of the books and show them. Most consumers are not aware that a different company puts out each book. You may be surprised as to which books are being used in your area.

How to Allocate Your Yellow Pages Dollars

Once you have a general idea of how much each directory is used, then break up your Yellow Pages budget accordingly. If you have three different phone books in your area, as I do in mine, and you determine that the phone company book gets used 60%, the regional type book gets used 30%, and the neighborhood book gets used 10%, then spend your dollars in the same proportions.

Don't dump all your dollars in one book; remember your potential customers don't care who is advertising. When people go to the Yellow Pages they already know that they need the product or service you provide. They are just reading "resumes" to decide to whom they are going to give their money. If you aren't there, guess what chance you have of getting that customer? That's right: zero!

How To Negotiate With Your Sales Rep

Now that you have determined how much you are going to spend in each directory, it is time to teach you how to negotiate with your rep. Discounting policies will vary depending on the directory.

Most of the independent phone book companies typically extend deep discounts. In fact, I had a regional vice president tell me one time that, "discounting is the best sales tool that their sales reps have." Utility or phone companies will typically be less likely to offer discounts and are harder to negotiate with, depending on the strength of their book.

If you follow the guidelines that I am about to lay out for you, overall you should be able to either reduce your Yellow Pages cost or significantly increase your program for little or no extra money.

When your sales rep comes knocking and says that it is time to renew your ad, or they would like to show you why you should advertise with them, welcome them in and be friendly. Set up an appointment with them and listen to their sales presentation.

When meeting with your sales rep there are two ways to approach the negotiating, depending on whether you are renewing your ad or buying a new one.

How to Negotiate When You are An Existing Client

Let your sales rep do his dog-and-pony show. Give him/her friendly nods and buying signs. The when your sales rep is done with their presentation tell them that you have been giving a lot of thought to your marketing program and that you have decided to

invest your marketing dollars in other areas, and that you would like to take your advertising down to just a bold listing or a light type listing.

This will immediately put your rep on the defensive. Be extremely vague as to where your dollars are being “re-allocated”. The sales rep will typically try to find out and then explain why this is a mistake. (Since you aren’t planning on spending your money elsewhere this should be easy. Just don’t make anything up, otherwise you will find yourself on the defensive trying to justify this. After all it is hard to overcome an objection if they don’t know what it is.)

At this point tell your sales rep that you may be willing to reconsider but to contact you towards the end of the campaign for your final decision.

Do not sign your contract yet!

The longer you wait to sign your contract the more negotiating power you will have. At the end of the campaign make sure that you contact your rep back if they don’t call you (you don’t want to risk being left out). Sit down with your rep and tell them that it has come to your attention that other businesses are getting discounts on their advertising and that you would like to know what type of discounts they are willing to offer you. Sit back, listen, and wait for them to start offering deals. They most likely will offer you a discount off of a bigger ad program. You can take it from there.

How to Negotiate When You Are a New Client

When you are looking at becoming a new client and a sales rep comes knocking, again let your sales rep do his dog and pony show. Give him/her friendly nods and buying signs. The when your sales rep is done with their presentation let the sales rep know that you’re interested, but not ready to make a decision and to contact you when the book is closing.

Typically your rep will not be working your account at that time and will want to close the sale now. Be very straightforward with your rep and tell them that it is common knowledge in the business community that they give discounts as incentives, and that if they want you to sign up now you’ll need the best discount or incentive that they can offer. If it is not 50% tell them that you will think about it and to contact you later.

Just keep asking for a bigger discount until they give it to you. If the sales rep you are dealing with now will not give a discount, wait until the last two weeks of the campaign and contact the sales office to talk with another sales rep.

Final Words Of Advice About Negotiating

It is important to remember that every Yellow Pages company operates differently in their discounting. Make sure that you have a plan of attack before you start negotiating. Set a goal as to what you want and don’t just shoot from the hip.

Call around to other advertisers that are not competing with you in your heading and ask them what type of discount they were offered. Use other business' discounts as a baseline for negotiations. Your Yellow Pages sales rep desperately wants to sell you ad space. Use that leverage to your advantage.

Yellow Pages Resources

www.standoutdesign.com — Designs Yellow Pages ads

www.max-effect.com/index.html — Designs Yellow Pages ads

www.adfx.com/ — Designs Yellow Pages ads

www.yellowpageexperts.com/ — Full service Yellow Pages company including design, competitive analysis, ad reviews, research studies etc.

Foreign Yellow Pages — Go to www.Business.com and search for “Yellow Pages”

www.commmnetmarketing.com — National Yellow Pages account management

www.yellowpagesprofit.com/ — How-To manual and tips

Conclusion

Yellow Pages ads are critical to small businesses; however, they present a big risk as well. Make sure that your ad is critiqued by a direct response expert to ensure that it pulls well, because once it gets placed, you'll have to live with it for the next year.

Use attention-getting headlines and offer an information product to entice readers to call you. Use eye-catching pictures sparingly and include your biggest unique benefits. Consider using customer testimonials to build trust and make sure you tell the reader to call you now!

The bigger the ad the better, but always remember to get a proof before the ad is placed. Mistakes can be deadly. Use color if you can afford it, but make it a low priority. Before placing your ad, test it in the newspaper to see how well it pulls and then track its effectiveness throughout the year on a month-to-month basis.

Hold out to the end of the phone book's promotional period and then ask for a significant discount. Call other advertisers to get a feel for the types of discounts each Yellow Pages directory gives out. Don't accept less than a 50% discount.

The information in this chapter will save you thousands of dollars if used correctly. If you have any follow up questions about Yellow Pages advertising, for your small business don't hesitate to call me. May your Yellow Pages ads attract new prospects like flies on molasses!

SPECIAL REPORT

SECRETS OF
DIRECT MAIL
SUCCESS!

HOW TO USE
DIRECT MAIL
TO BUILD YOUR
SMALL BUSINESS

By David Frey

Secrets of Direct Mail Success: How to Use Direct Mail to Build Your Small Business

Not long ago while I was giving some advice to a client of mine I brought up the topic of direct mail and immediately her eyes started to roll. You know, that look that says, “Oh gosh, here we go again.” Sure enough, she began to tell me that she had already tried direct mail and it never worked. In fact, it turned out to be a colossal waste of time and money for her and her business.

I have to tell you, I often get this same response from business owners who have “dabbled” in direct mail marketing and achieved dismal results. As I usually do, I began to question my client. “Did you do this...?”, “Did you do this...?”, and “Did you do this?” The answers were as I suspected... “No, I didn’t do it that way.”

Now you’re going to learn how to do direct mail the right way.

Eight Reasons Why Direct Mail Is So Powerful

Direct mail is perhaps, one of the most powerful marketing media in use today. Few other marketing tools can deliver your message with exact precision at such a low cost. The amount of mail in your mailbox everyday attests to the effectiveness of this medium. (If it didn’t work, your mailbox would be empty!)

Here are eight reasons why I believe direct mail is still king:

Reason # 1: It works when you’re not

Like the old saying goes, “in rain, sleet, or snow” the mail arrives. Whether you’re sleeping, vacationing, working, or walking, your direct mail is working for you. It gives your best sales presentation over and over again without you having to be present.

Reason # 2: It leverages your efforts

Do you want to know how to waste your time? Give your best sales presentation to one person at a time. If you do this, you’ll only sell one widget at a time. Send out thousands of letters and your best sales pitch is being presented to thousands of people simultaneously. That’s called “leverage!”

Reason # 3: Allows you to target with precision

Instead of “spraying and praying” your message to people who may or may not be interested or even qualified to take advantage of your offer, direct mail allows you to pinpoint the people who fit your psychographic, demographic, and geographic profile.

Reason # 4: You get an immediate response

Once you send out your direct mail piece it doesn’t take long to get a response. Within one to two weeks you’ll receive about 80% — 90% of all those who are going to respond. If your campaign works, you’ll know about it quickly. If it’s a bomb, you’ll learn that quickly as well.

Reason # 5: It’s easy to track your return on investment

If you’re a small business owner, you can’t afford to waste a single penny on wasteful marketing. With direct mail marketing you can code your mail pieces to determine the exact number of responses you received from each campaign.

And as I said before, the results of your direct mail campaign come back fast, so once you know what worked and what didn’t, you can immediately start to “tweak” your mail piece to increase your response and hold your marketing dollars accountable.

Reason # 6: It’s relatively inexpensive

With just \$.34 (at the time of this writing) you can send out a direct mail piece that includes your full marketing message. It is amazing what you can get into a small business size envelope and keep under the \$.34 limit. Photos, newspaper articles, letters, special reports, and more can be put in these envelopes for under \$.34. This means you can reach 100 target prospects for only \$34. Comparatively speaking, that’s a bargain!

Reason # 7: It gets one-on-one attention

One of the best things about direct mail is that it gets one-on-one attention from your target prospect —unlike billboards or radio and television commercials that get your attention while two to three other things also have it. Direct mail is opened one piece at a time and read one piece at a time. It gives you the best chance of catching your prospect’s attention and keeping it for a period of time.

Reason # 8: It’s something you can touch and feel — it hangs around

Direct mail is something that you can hold in your hand. It’s not made of electrons that can be deleted with the twitch of a finger. It’s not a radio frequency signal that is here and then gone a moment later. It is physical. It is something that can hang around for a period of time. It has “lingering” marketing effects.

All these reasons I’ve mentioned make direct mail a very powerful marketing medium that, if done right, can have a very high return on your marketing dollar.

The “Junk Mail” Myth Exposed

Too often I hear people complain about junk mail and how “nobody opens that crap anymore.” Hogwash! Why do you think you still get mail from businesses? Because it works! The term “junk mail” is a misnomer.

Simply put, “junk mail” is mail that is sent to the wrong list of people. The offer inside has nothing to do with the person receiving it. However, one person’s junk mail is another person’s solution (that they’ve been waiting for).

This means that if you sent mail to someone to whom your offer didn’t match, shame on you, because you just sent junk mail. How do you know it’s junk mail? Think about how you sort your mail. You probably do it right over the wastebasket. Most of your mail goes into the wastebasket and the other mail you set aside to open.

Your challenge as a direct mail marketer is to avoid sending junk mail. To do this you must first send your mail to the right list of people.

Sending Your Mail to the Right People

Direct marketers have a saying that goes, “The money is in the list” — the “list” being the list of people to which you are going to send your mail piece. The most important factors for direct mail success are:

1. The list
2. The offer
3. The letter

If you have a great offer with dynamic copy and send it to a list of people that couldn’t give a hoot about what you have to offer, your campaign will bomb. In fact this is the number one reason for direct mail failure.

So here are six types of people you should do direct mail campaigns to that will dramatically improve your chances of success:

1. People who have purchased something related to what you are selling.
2. People who RECENTLY purchased something related to what you are selling.
3. People who have money to spend.
4. People who have shown a propensity to buy or respond via direct mail.
5. People in your local neighborhood (for local merchants that do local business).
6. People in affinity groups who have a strong want for your particular product.

Affinity groups may be any group of people that share the same interests, hobbies, associations, or passions. Normally, people that belong to the same affinity group would have a tendency to purchase similar items.

For example, a member of the Texas Society of CPA's may be interested in receiving a sales letter about a new online tax service. Or a member of the local Parents Teachers Association (PTA) may be interested in a new child safety video program. Or people who buy rifles might be interested in receiving a hunters clothing catalog.

The ultimate mailing list would represent a group of people who belong to the same organization, who have purchased a similar or complimentary product within the past 90 days through mail order, that are financially well-off. If you sell a product or service and can find a list of people meeting these criteria, hop on it!

Compiled List Versus Response Lists

There are basically two types of lists you can purchase: compiled lists and response lists. It's important to know the difference, because it could mean the difference between success and massive failure. A response list is a list of people who have already purchased a similar or related product to what you are selling.

A compiled list is one that has been "put together" using demographic, psychographic, or geographic data. As I mentioned, the closer your direct mail list is to people who have already responded to a similar offer, the higher your chance for success.

For example, I buy a lot of marketing courses. Especially audiocassette taped courses with workbooks. If you send me one, there is a high likelihood that I'll buy it. Why? Because I buy marketing stuff ALL the time!

However, I am also a CPA (bet you didn't know that ☺). I throw away CPE class catalogs all the time because I'm not a practicing CPA, but my name shows up on the Texas Society of CPAs compiled list.

See the difference? Remember this when you are selecting your mailing list. Again, it could mean the difference between success and failure.

All Marketers Should Have a Good List Broker

The key to finding the right lists is hiring a good list broker. A list broker is someone who helps you to identify good lists for your direct mail campaign. List brokers abound, but good ones are few and far between.

A list broker gets paid based on a percentage of what the list costs you. However, most list brokers get significant discounts from which they take their commission. So in the long run, a good list broker should not only NOT cost you anything, but also make you tons of money. They are your "market finders" and play a huge role in whether your campaign is a success or not.

I have a personal list broker who I think is tops. He is one of the few brokers whom I've met who really care about my success, to the point that sometimes he recommends that I don't roll out a campaign because he knows its going to be a flop.

For instance, I'm about to roll out a comprehensive system that helps parents teach their high school and college-age kids to make better grades in school. Just last week he found me a great list, but recommended that I not roll out or even test the list until August (much to my dismay). He cares about my success.

His name is Gil Terriberry. He and his company, Direct Contact Marketing Group, can be reached at 877-262-8105. Or you can email him at dcmg@dcmg.com

Mailing List Resources

Here are some other resources for finding the right list for your direct mail campaign.

SRDS (Standard Rate and Data Service) — The SRDS catalog/directory is the industry standard for finding commercially available mailing lists. This is where you should begin your search for the right lists if you decide not to use a broker. Many public libraries have a copy. Go to www.SRDS.com for more information.

PCS Mailing List Co. — If you're looking for business professionals such as CPA's, doctors, teachers, etc., go to www.pcslit.com and get more information.

ACT ONE Mailing List Services — A compiler of mailing and tele-marketing lists compiled by SIC codes, occupations, hobbies/Interests, and demographics. Visit www.actonelists.com for more information.

Venture Direct Worldwide — Recognized as one of the largest compilers of mailing lists as well as card decks, package insert programs, and online co-op advertising programs. You can reach them at 212-684-4800.

Best Mailing Lists — Compiled lists by demographics, industry, and occupation. They can be reached at 800-NYC-BEST or www.BestMailing.com.

Mailer Software — Compiled lists by demographics, industry, and occupation. Go to www.MailersSoftware.com for more information.

I-Centrix (Information Centrix Solutions) — Now if you do very large mailings and you need to really hone in on your target market to increase the ROI of your mailing, you should have a conversation with a friend of mine, Jason Powers of I-Centrix.

I-Centrix can take several lists and "profile" your customer in order to find the exact type of person that has the highest probability of responding to your mailing. Go to www.I-Centrix.com or call Jason at 518-689-0480.

Know Your Numbers!

Direct mail is a numbers game, pure and simple. If the numbers work in your favor, direct mail can become a cash flow profit-generating machine. If the numbers don't work in your favor, direct mail can be a cash-sucking black hole.

Here are the terms you need to know:

1. **Response Rate** — Your response rate is the number of responses you received, divided by the number of mail pieces you sent. ($\text{Total Responses} / \text{Total Mailings}$)
2. **Conversion Rate** — Your conversion rate is the number of people who purchased from you as a result of your mailing. ($\text{Total Orders} / \text{Total Mailings}$)
3. **Return on Investment** — Return on investment is the amount of money you made on your mailing divided by your investment to do the mailing. ($\text{ROI} = \text{Net Profit} / \text{Total Investment}$)
4. **Product Price** — The selling price of your product.
5. **Product Cost** — All variable product costs (cost to acquire or manufacture product plus packaging and marketing costs)
6. **Overhead Cost** — All fixed costs (salaries, office supplies, utilities etc.)
7. **Breakeven Point** — The number of products or services you must sell to equal the amount of money invested to do the mailing. ($\text{Breakeven} = \text{Overhead Cost} / \text{Selling Price} - \text{Product Cost}$)

Direct Mail Arithmetic Rules of Thumb

Rule # 1 — Your first question in planning your campaign should be, “What must be my conversion rate at breakeven, for my assumed selling price?” Your second question should be, “Does this make sense?”

Rule # 2 — Only start a direct mail campaign if the most conservative conversion rate estimates result in a breakeven or profit. (A 1% conversion rate is considered pretty good in the direct mail world)

Rule # 3 — Caveat to rule # 2... If you have a healthy back-end it may be smart to gain customers through direct mail even at a loss.

Rule # 4 — Response rate means nothing! A .01% response rate on a mailing for some products can be wildly profitable (just ask the credit card companies).

Rule # 5 — Return on investment is everything! In the end, what counts is how much money you made on the mailing.

A Real-Life Example of Direct Mail Mathematics

Today I received this email from a close marketing friend of mine who understands direct mail marketing mathematics. He's planning a postcard marketing campaign. Follow his logic closely!

Dear David:

I got a quote on my postcards.

Two-color ink (dark blue and red) on 100# gloss stock, 5.5 x 8.5 size.

5,000 quantity... \$867.00.

That comes to .1734 cents each.

Now, add postage of .37 cents (after June 30), and the total cost is .5434 cents each.

Total cost to mail 5,000 cards comes to \$2717.00.

If I make \$300 on a package, it will take 9 packages to break even on the initial mailing, not counting any reports or sales letters that need to be sent out.

9 orders divided by 5,000 pieces is a conversion rate of .0018.

If I got a 1% conversion, that would be 50 sales. At \$300 each, would total \$15,000. This is PROFITS... remember, my shipping and handling costs cover the printing costs also.

What if I made \$400 per package? I only need to sell 6.79 to break even on the mailing. A 1% conversion would be \$20,000 in profits.

Now, all of this assumes that my mailing list is accurate, which it isn't. The names and addresses are up to two years old, so I can expect a certain number of returns due to incorrect addresses, or forwarding numbers that have expired.

If I figure that say, 20% are incorrect (that's figuring pretty high), it still beats renting a list from a broker at 80 cents per name, and only

being able to use the names one time.

Plus, by sending first class mail, the post office will return any incorrect addresses to me, and I'll be able to correct or purge them from my master list.

So... whadda you think? I almost can't lose with this deal, huh?

Martin

(Go for it Martin! — David)

Warm Mailings Versus Cold Mailings

The other night my family and I were sitting down for dinner. Just as we started eating the phone rang. It was someone trying to sell me long distance. Sorry to say, I didn't let him get past his third sentence before I hung up on him.

About five minutes later the phone rang again. It was a colleague of mine that I hadn't heard from in awhile. Not only did I take the phone call, but I got up from the table and went into another room to talk to him (much to my wife's dismay).

What was the difference between the phone call I took and the one I hung up on? It's obvious. I didn't know the first caller from Adam, but the second person was a friend of mine. That's the difference between a cold call and a warm call. One gets results and the other doesn't.

It's the same with direct mail. You should always try to send mail to people to whom you've been introduced. Not face-to-face necessarily, but introduced to in some form or fashion.

Low-Risk, High-Response Direct Mailings

The following strategies are low-risk, high-response "warm direct mailings" that will yield high results.

Strategy # 1: Voice Broadcast Introduction

Do a voice broadcasting campaign to your direct mail recipients to introduce your mailer. Voice broadcasting is a technique used to send recorded voice messages to people. Once the phone is answered, you can have the voice messaging system either deliver your message or hang up.

If the phone is answered by a message recording system, you can have the voice broadcasting system leave a message. This technique is very effective for getting your letter noticed. The script might go something like this:

“Hi, this is David Frey over at David’s Men’s Wear. I just wanted to let you know that we’re having a private, closed-door sale for a few of our special customers this weekend. You’ll be receiving a letter this week telling you all about it. Watch for the letter. It should arrive on Wednesday or Thursday. Thanks for being one of our special customers. Have a great day!”

Can you see how this technique could increase your response rates dramatically? It’s a very powerful, but underused marketing technique. My recommendation for voice broadcasting services is Automated Marketing Solutions. For more information, go to www.AutomatedMarketingSolutions.com.

Strategy # 2: Radial Direct Mail Campaign

Radial direct mail campaigns are direct mail offerings that are sent to people who live in the vicinity of someone who just purchased from you. The idea is to include an endorsement from your customer in the letter.

The letter would say something like this:

“Dear Neighbor:

We wanted to let you know that Dan Jantzen, one of your Heritage Park neighbors on Widerop Lane, was in our store the other day and he won one month’s worth of free gas in our free monthly gas giveaway contest. Congratulations Dan!

Maybe you could be the next winner?.....”

Using Dan’s name gives you a type of silent introduction and endorsement because Dan’s their neighbor. Of course you need to get your customer’s permission to use their name but this technique could apply to many product and service businesses.

The strategy is called a “radial mailing” because you send it to people living within a certain distance from your customer. If you go to www.Haines.com you’ll find tools that allow you to search in radial distances from your customer’s address.

Strategy # 3: Endorsed Joint Venture Mailing

An endorsed joint venture mailing is a twist on strategy number three. It entails approaching business associates that market to your same customer base and sending an endorsed letter to their customers.

For example, if you run a restaurant then most likely your target customers are people who live within a mile or two from your business. The local dry cleaner also markets to the same customers.

Ask the dry cleaner if they would be willing to send a letter endorsing your restaurant to their customers. And you, in turn, would send a letter to your customers endorsing their dry cleaning services.

The power of this strategy is in the relationship (remember warm mailings?). Customers of the dry cleaner will trust the dry cleaner's recommendation and customers of the restaurant owner will trust the restaurant owner's recommendation.

Strategy # 4: Referral Letters to Existing Customers

Anytime you mail to your customer base you should receive a good response (if you're providing good service). Sending referral letters includes asking your customers to refer you on to their friends and associates.

But no matter how much your customer loves you, they usually need to be bribed to action. Offer a free service or product that is low-cost to you and high-value to your customer for referring on their friends.

Strategy # 5: Community-Based Mailing

If your market consists of local neighborhoods, then a local neighborhood mailing may be successful. The odds of it being successful go way up when your business is highly visible from the street. If you include a picture of your business, your readers will connect the letter and your business and you will have instant credibility.

Strategy # 6: Highly Targeted Mailings

Sending to very highly targeted prospects immensely raises the chance of success. For instance, I do direct mailings to spa and pool business owners. Because the content of my letter is all about spa and pool stuff, I get a big response.

The closer your mailing list matches the demographic, psychographic, and geographic characteristics of your target market, the higher your response rate will be. Hence, the importance of having a good list broker to help you select a winning mailing list.

The Power of Sequential Direct Mailings

It's said that a marketing message has to be seen at least seven times before a consumer takes action on the offer. This might be true, but it's the principle behind the tactic that is important. People buy from people they have a relationship with and trust.

In the “Low-Risk, High-Response” section I talked about using someone else’s relationship to be introduced. However, what if that isn’t possible? What if you have no relationship with the person we are mailing to at all?

To get an above average response, you need to build a relationship with your readers the same way you would in person, which is through an introduction and repeated interactions. Once you have a relationship with your reader, the barriers of mistrust and fear will vanish and your response rate will shoot up.

Many times people don’t respond on your first contact — not because they didn’t want what you were offering, but simply because the time might not have been right or the they got distracted. They might very well want what you have, but just forget and never take action. It’s nothing different than having to remind someone every once in a while to get something done.

10 Tips to Remember When Doing Sequential Mailings

The following are 10 tips about sequential mailings that you should remember to make your campaign effective:

1. The higher the lifetime value of a customer, the more sequential mailings you can afford to do. If one sale is worth thousands of dollars, then doing 10 to 15 mailings over 20 or 30 weeks may be in order.
2. For a normal consumer mailing for a low-priced product, don’t do over three mailings. In three mailings you should be able to attract a good response.
3. Each mailing needs to be linked with the last mailing. You can do this by mentioning the previous mailing in your next direct mail piece. I often do it by putting a red stamp at the top of the letter that says, “SECOND NOTICE” with some copy talking about the previous mailing.
4. Don’t let too much time elapse between mailings. Perhaps one to two weeks may be fine, but any longer than two weeks, your prospect will forget who you are.
5. Make sure each envelope and letter has a similar look and feel as the others, in order to help the reader make a stronger connection between the first and all subsequent letters. If your direct mail items don’t look similar (envelope, letter, offer etc.) to previous mailings, people will find it harder to make the connection. In fact, some direct mailers use the exact same letter and offer for each step in the sequence.
6. Use an automated system, such as a contact manager like ACT or Goldmine, to remind you when to send each letter in the sequence. ACT has a great function called the “Activity Series” that will help you send out each mailing in the sequence at the right time.
7. Clean your addresses from letters that come back to you so you don’t waste your money by doing unnecessary mailings.

8. If you're renting a list for one time use, try to get as many people to respond to the first letter as possible, so that you can put them on your own in-house list. Do this by putting a super offer in your first letter that compels your reader to respond. This way you don't have to pay for the use of the list over and over.
9. Consider sweetening the offer in each letter you send. If your reader didn't respond to the first offer, perhaps it because they didn't see the value of your offer. Sending a second, more powerful offer may be just the thing that your prospect needs to make them respond.
10. If you're doing a long sequential mailing (5 + letters) vary the envelope, letter, and offer so that your prospect doesn't become jaded or immune to your mailing. After several letters that look the same and read the same people will be able to predict what's inside and not even bother opening the letter. Consider sending a postcard, use a grabber (we'll talk about this in a moment), or mailing a different shaped box to make your mailer interesting.

Grab Your Prospect's Attention Using Grabbers

One of the biggest obstacles to overcome using direct mail is the inability to get the recipient's attention. Even if the sales letter is fine-tuned and directly targeted to your wants and needs, it's still hard to get people's attention. If you want to increase your direct mail response rate with dramatic success, use a "grabber."

A grabber is something you can touch, hold, feel, or smell that "grabs" attention. A grabber seizes your prospect's attention and interest and practically forces him to sit there and give your letter the attention it deserves.

The most successful grabber of all time was two bright, shiny new pennies attached to the top of a letter written by Reader's Digest to increase their subscriber base. They were attached so that you could see them through the window of the envelope. The outside of the envelope had printed on it part of a quotation from an ancient Persian poet, "If thou hast two pennies..."

The opening of the letter went like this, "An ancient Persian poet said: 'If thou hast two pennies, spend one for bread. With the other, buy hyacinths for the soul.'" And then the letter continued along the theme explaining that "hyacinths for the soul" was referring to good reading — just like the reading in Reader's Digest.

The price of the subscription ended in an uneven amount, so they told the reader to send back one of the pennies to accept the offer...and keep the other for their change!

This promotion turned out to be so successful that they ended up sending out tons and tons of pennies. In fact, the way we first heard the story, during that time, Reader's Digest became the U.S. mint's largest "customer" for pennies.

The Rest of the Story...

This story has an interesting twist at the end. Whenever you do a massive mail promotion of that scale, you get back a certain percentage of undeliverable pieces, called “nixies.” Pretty soon, Reader’s Digest had thousands and thousands of these nixies. Well, they figured out that it would cost them four cents each to open them and remove the two pennies, so they asked the Post Office to just keep them or destroy the nixies.

The Post Office said they couldn’t legally destroy or dispose of the pennies, so Reader’s Digest ended up with a growing warehouse full of the penny mailings. Then they came up with a brilliant idea. The Mt. Kisco Boys Club was trying to raise money to build a new club house. The Digest had the mailings trucked over to the Boys Club, and the boys spent countless hours stripping 50 million pennies out of the mailings.

For their efforts, the Boys Club got to keep half of the pennies they recovered (\$250,000) and Reader’s Digest got the other half. The Mt. Kisco Boy’s Club soon had a new club house, and the Digest recovered \$250,000 and got some great press for it. Great marketing!

Here are Some Great Grabber Ideas

The following are some creative grabbers you can use to get your readers attention:

Mini-CD’s — Today you can buy mini-CD’s that are as big as your business card and can be cut into many different shapes. Load your entire website on to your CD business card and any written special reports or audio taped messages that can be accessed from your website. Give your prospect a “secret code” that will “unlock” your website and allow them to “Discover the Hidden Secrets to XXXXXX.”

Custom phone cards — Create a custom phone card that has a message printed on it that says, “Find Out How You Can XXXXXXXX! Call Recorded Message, 000-000-0000” On the recorded message use a script that talks all about the benefits of your product or service and offer them a free no-obligation report, but don’t tell them the secret. Make them leave their contact information so that you can send it to them.

The Pain Relief Pill — Send a direct mail letter with two pills in a small bag attached to the top of the letter. Start your letter out something like this... “You’re probably wondering what the little pill attached to this letter is for. Go ahead. Grab it. Pull it off. Take a look at it. It’s a pain reliever pill. Would it be great if you could just take a little pill and get rid of all your financial problems...”

Money Letter — Nothing is more luring than a dollar bill. Everyone loves money so there is hardly a more attention-getting way to start a letter. Using a dollar bill grabber isn’t a new concept. It was successfully used decades ago and is still used today with some of the most successful direct mail efforts in the world.

The prospect opens the letter and immediately sees a real dollar bill attached to the top of it. The letter can go something like this... “ As you can see, I’ve attached a crisp, new, one dollar bill to the top of this letter. Why have I done this? Well actually, there are two reasons.

First, I have something important to discuss with you and I needed some way to make certain this letter gets your attention. And secondly, since what I’m going to tell you is going to save you a lot of money, I felt that a dollar bill would be an especially appropriate, “financial eye-catcher.”

The Puzzle Pieces — Send a four-piece puzzle, in a three-sequence process. Send out three pieces of the four piece puzzle one day and then send the last piece the following day. Then follow up with a phone call the next day.

Only your imagination and creativity will limit you from a successful direct mail campaign. You might be thinking that it costs too much to send out some of these grabbers that I have introduced, on the contrary, you are overpaying and wasting money if you don’t use them.

Imagine how many more of your letters would be read with a good grabber. Each letter that gets canned before it gets opened or fully read is an expense to you. You can double or triple or quadruple your success rate with grabbers. How much would that be worth to you? I think you can’t afford not to use a creative grabber.

Note: For more grabber ideas contact Jon Goldman. He is an expert advisor in effective use of “lumpy mail”, grabbers, premiums, etc. and a source for the largest and most diverse selection of such products I have ever seen. He has a complete “Idea Kit” with manuals, samples, tapes, etc. which you may purchase. Call him at 800-366-5759 or go to www.LumpyMail.com.

The Envelope: Getting Your Direct Mail Piece Opened

If you’ve looked at your mail lately, you’ve probably noticed all kinds of urgent, official looking envelopes. In the end, how many letters inside those envelopes are actually urgent or official? Very few.

Direct mailers use all kinds of different designs to get you to open their envelopes. Some work and some don’t, but in the end, the letters you usually set aside first are the ones that look like personal letters from friends or family.

Do you want to get your mail opened? Make it look like a letter from a personal friend or family member. It’s that simple. A plain white envelope with a typewritten (courier font) or handwritten address and a first class stamp will get opened every time. For your return address use your name (no title), the name of your company, and the street address of you company (no P.O. box).

I also use one other type of envelope that gets opened every time. They are envelopes that look like an Air Express or FedEx letter. You can find these types of envelopes at www.responsemail.com. They are incredibly effective.

NOTE: One note about the stamp you use. One of the first things that reveal whether you're a bulk mailer or not is the stamp that you use. If you meter your mail, your recipient will know that you mail in bulk, which contradicts your attempt to make your letter appear personal. If you really want your letter to get opened, use a humble first class stamp.

Creating and Using a Swipe File

Perhaps the easiest and most value-added habit I have formed as a marketer is to create a "swipe file" — a collection of other people's creative news articles, newspaper and magazine advertisements, or direct mailings.

Companies have paid thousands (sometimes hundreds of thousands) of dollars to high-paid direct response experts to create articles, ads, and mailings that work. Why not use their work as a "creative starting block" for your direct mail piece?

Before you start to say, "That's copying and it's illegal!" I should explain that all you use your swipe file for is to get your creative juices flowing. I call this method "creative inspiration."

I have sat for hours thinking about what I want to create for an ad. I don't anymore. I just open my swipe file and within minutes I'm creating. Don't limit your swipe file to just marketing pieces from your industry. Put any ad or direct mail piece in your swipe file that jumps out at you and catches your attention.

One of my most successful direct mail pieces was based off of a letter I received from a company that sent me an invitation to a local seminar about a home-business opportunity maintaining pop machines!

Instead of just chucking the mail like I used to, I look at my mail differently now. I see it as the most inexpensive marketing education that I could ever receive. Why throw your mail away? Save the best pieces for your swipe file.

Testing: The Key to Ultimate Direct Mail Profits

"If at first you don't succeed, try, try again!" How many times have you heard that quote? It's true in real life and it's true in direct mail marketing. The difference is that when you try again in direct mail, you must change something.

How many times have you heard this quote, "If you keep doing what you've always done, you'll keep getting what you always got." Testing is all about making small changes in order to achieve a higher response rate.

Once you get a respectable response from a direct mail piece it becomes your “control piece.” You should always make small changes in your control piece and test them for a higher response. A respectable test mailing should be at least 1,000 pieces. This will give you an idea but to do a reliable test you should consider doing a 5,000 piece mail out.

Two of the biggest questions I receive in regards to testing are (1) How do I know what I should I change, and (2) What’s the best way to track my response rate?

To answer the first question, the following are the elements of the mail that I would tweak in order of importance:

1. **List** — Make sure you’re sending to the right group of people!
2. **Envelope** — You must get your piece opened first and foremost.
3. **Headline** — The headline could account for 80% of your success.
4. **Offer** — A great offer can overcome bad copy.
5. **Guarantee** — Skepticism and fear stop most people from responding.
6. **Postscript** — Experts say it’s the second most looked at salesletter element.
7. **Long vs. short copy** — People want to know the details...really!

“Split A/B testing” is a common technique that direct mail marketers use to test their mail pieces. It includes splitting a list into two groups and sending one piece to group A (control piece) and the other piece to group B and evaluating response rates.

As for the second question, there are a number of ways to track the success of your direct mail campaign. The first step is to code your direct mail piece. You can do this by using different response telephone numbers for each piece, or by putting a code on the enclosed return form. This allows you to know from which campaign the response is coming, resulting in an accurate response rate count.

However, if you send a postcard or insert a coupon you could ask your recipient to bring it in to take advantage of your offer. I like to use one toll-free phone number with different extensions to track response rates.

I often place ads in different trade magazines and include unique extension numbers in each ad, which lets me know to which ad my customers responded. This saves me a lot of money because it gives me empirical data that shows me where I should be spending my precious marketing dollars.

Here are several rules to follow when testing your direct mail piece:

Rule # 1 — When testing, only make one change at a time. This isolates the difference, which allows you to conclude with some certainty that the tweak you made was the cause of the difference.

Rule # 2 — When selecting people to test with, choose every other name on the list and assign it to List A and List B. This removes any biases that might be in the list.

Rule # 3 — Test small first. Before rolling out a large direct mail campaign start with a small part of the list first. Then gradually move on to bigger numbers. You might start at 5,000 then send 10,000 then on to 25,000 and so on. This allows you to test your piece safely and find hiccups or anomalies in the list with the least amount of investment.

Rule # 4 — Code every direct mail piece you send and set up a tracking system in advance. Train your employees on how the tracking system works and provide incentives to get them to utilize it. Test the tracking system to make sure it's working properly.

Rule # 5 — Testing is a never-ending process. Always continue to try to beat your control. Remember, there's always something you can do to increase response rates!

The 17 Point Checklist for Direct Mail Success

To conclude I've created a direct mail success checklist that can be used for your next mailing. Before sending out any direct mail piece, review your effort to make sure that you have applied each of the 17 success tips properly. This will significantly enhance your chances of having a successful response rate.

1. Mailing Lists

The mailing list is the most important element of your direct mail campaign. The best mailing list you can get your hands on is your own mailing list! It's the list you've been compiling since the first day you opened your doors. Be certain it is kept up to date. There is a direct correlation between the number of times to send to your mailing list and the size of your bank account.

If you are niche-marketing, ensure that the quality of the mailing list is high. People who have recently responded to direct mail campaigns offering similar or complimentary products or services are the highest response candidates.

Use a mailing list broker to help you. Just look in the Yellow Pages under mailing list brokers (If you don't use Gil Terriberry). Tell them what you are looking for and they will help you find the list you need. Don't try to save money with a cut-rate compiled list. The purpose of direct mail is not to save money but to create profits. Never forget that.

2. Get Your Letter Opened

If you are like me, you probably open your mail as you are standing over the wastebasket. You sort your mail into two piles, the "A" pile and the "B" pile. The "A" is mail that you will open and investigate. The "B" pile gets sent to the round file — the garbage. Your goal is to get your letter put into the "A" pile, the pile that gets opened.

How can you ensure that your letters enters the "A" pile? Think of yourself, and what types of letters you open and the types that get trashed. Research shows that metered mail has a lower chance of survival than stamped mail. I usually look twice before I throw

away a stamped piece of mail. As a matter of fact, I'm really less likely to throw away a letter that has multiple stamps (hint).

All the letters that come to me that are hand addressed always make it to my "A" pile. They usually come from someone I know. Even if the letter has nothing more than my name and address typed onto the envelope with a return name and address in the upper left hand corner, I'll usually open it.

This confirms direct mail research that states the highest "letter opening rates" for plain white letters with a real stamp and a simple from and to address either hand written or typed on the front of the envelope.

Hint: You can now buy fonts that mimic actual handwriting. All you have to do is send them through the printer and you can't tell the difference between hand addressing and computer addressing.

3. The Headline

Once a piece of mail is opened you have about five to eight seconds to overcome the next obstacle — getting it read. To do this you have to have a powerful headline, with possibly a good supporting graphic. Every direct mail piece, whether it be a Val-Pak ad, a postcard, or a letter, should have an attention-grabbing headline.

Your headline can include your biggest benefit or ask a provocative question that makes the reader want to keep reading. Do not put the name of your business at the top of the letter. At this point, your reader couldn't care less about the name of your company. They're too busy asking themselves, "What's in it for me?"

I included a rather lengthy explanation on how to develop headlines in the chapter on advertising, so I won't spend a lot of time on this topic. I will say again that it's very important. Eighty percent of your time should be spent on developing a good, attention-grabbing headline.

4. "What's In It For Me?"

As I stated before, you've got to make sure your writing answers the question, "What's in it for me?" Write with the understanding that people are constantly asking themselves that question. Your reader has problems, and all they care about is how you will solve their problems for them.

Your copy should be benefit-laden. It should be all about them and very little about you. It should tell the story about why their life would be so much better off with a spa or pool. Don't bog them down with a bunch of features and technical jargon. Just tell them in simple, easy words how your spa or pool is better than all the rest.

A simple way to gauge this is to count the number of “I’s” you have in your text and then compare it to the number of “you’s” in your text. You will quickly learn whether you’re writing to your ego or to your prospect.

If you pick up most pieces of corporate direct mail or look at most ads in the newspaper and Yellow Pages you will see this rule violated at almost every turn. It’s one of the most common mistakes in marketing.

5. Write Like You Talk

People like to talk to people. They don’t like to talk to cold, stuffy, know-it-all, big word, non-human robots. But that is exactly how our school and university system teaches us to write. But that’s not how people talk.

People would rather read prose that is warm, real, believable, and down-to-earth. They want to have a personal conversation with you. This means you can break all the grammar rules you want, as long as you are communicating on a personal level and you’re building your case for taking action.

Don’t write long sentences or paragraphs either. They are far too difficult to read. Break up what you say into small chunks of information that are easily digestible. Don’t worry too much about grammar. Your reader isn’t. They just want something that is easy and interesting to read.

Remember, never forget the goal of your letter. It’s not to get a good grade from your English teacher. No, it’s to get your prospects to ask for more information by either calling you or coming to your store. Don’t try to write like you think you should. Write like you speak. Besides, in which scenario would it be easier to make a convincing argument? Standing in front of a thousand people giving a speech or talking to your friend at work?

6. Don’t Be Afraid of Long Copy

Here are some important statistics about reading copy. Readership of advertising falls off at two critical points: once at around 350 words, and not again until over 10,000 words. This reveals an important point. If you can get your prospect to read past the first 350 words, you can keep them reading for many more pages.

There is a saying in direct marketing that you can never write copy that is too long — just too boring. I have written successful sales letters that are 14+ pages long!

7. Use Advertorial Style

If you are doing a Val-Pak type of mailing or a co-op coupon book, use advertorial style copy. The term “advertorial” means a combination of editorial and advertisement. It is the art of making a mail piece look like an article.

Research shows that editorial articles get read 5 to 6 times more often than advertisements that look like typical ads. Don't make the mistake of thinking that since YOU don't read ads like that, no one else does.

This is one of the biggest marketing mistakes that people make. They assume the role of the customer and pass judgment. Your reaction to a given type of promotion or marketing effort is irrelevant. It is how the people you are attempting to reach will react. The only way to know the results of the success of your mail piece is to test it.

If you don't believe me with regards to this recommendation, remember the last time you had an article done on you or you were mentioned in a news article. What type of response did you get? Most assuredly it was a much better response than to one of your "sales" ads.

8. Use Sub-headlines for Dual Readership

People tend to skim through letters to look for something that interests them before they read them in their entirety. You should give them a way to skim through your letter and get the message at the same time. To do this use sub-headlines. A reader should be able to skim through the letter and get a pretty good understanding of what you're talking about.

Sub-headlines also break up your paragraphs and make it easier and more inviting to read your copy. Each headline should pull you into the next paragraph. This is how you keep your reader interested and reading. Consider using some of the headlines that you didn't use when creating the primary headline. Many of the "throw away" headlines that you developed are probably great candidates for putting in the body of your letter.

9. Typesyles

Don't use several different fonts when writing your copy. At a maximum, use only two. Never use all capital letters in your letter or headline. It makes it difficult to read and gives the impression of shouting. You want the meaning and message of the headline to shout, but not the letters themselves.

Stick with typesyles that have serifs, which are the curls on the letters. I am writing right now in Times Roman, which is a serif font. (Hint: if you are writing copy for the web you'll want to use a font such as Arial rather than a serif font.)

10. Use Non-Round Numbers

Studies have shown that people believe copy more when non-round numbers are used. For example, if you list "7 Ways to Kill a Cockroach", you'll give the impression that there are only seven ways. By contrast, "10 Ways to Kill a Cockroach" might give the

impression that there are a lot more ways, but that you just decided to list ten. Non-round numbers just sound more believable.

In a study done by the Wall Street Journal the number seven (7) has been found to be a number in which more people respond to. So try to end your numbers with a seven.

11. Guarantees

The more powerful the guarantee the lower the risk you put in your offer. People fear guarantees because they think that people will take them up on it and they'll be out of business or spend all their time refunding purchases. This simply isn't the truth. The truth is that most people don't return their purchases and don't take advantage of guarantees.

The ones that do take advantage of your guarantee will have done so no matter what type of guarantee you have, even if it's weak and you didn't promise anything. In essence, you have nothing to lose and everything to gain.

12. Use a two-step process

Never try to sell a high-priced product or service in one step. It won't work! Big purchases require a significant amount of education and relationship building. Your primary objective is to get your reader to request more information or come to your place of business. Nothing more. It must be a risk-free action on their part.

People are naturally skeptical. They need to make small steps. Convincing people to go to your website or to your information phone line is a non-threatening step that your prospect may be willing to make.

This is a key point...remember it. It could mean the difference between a successful or failed mail offer. **Remember, inform first, and sell second.**

13. Write to One Person

When you write your letter you need to mentally block out you, your business, your friends, your prospect's friends, and everything else. You should just write to a single person as if they were the only person with whom you are talking.

To remind myself of this sometimes when I write copy I will get an enlarged picture of a typical reader who meets the demographics of my target prospect. In this case it might be a man between the ages of 40 to 55. I put small "problem stickers" on him that represent the problems he has.

Some problems that I might include are not enough money, doesn't need it right now, their problem isn't that bad etc. In addition, your prospect probably distrusts you personally and doesn't believe your solution works.

This little copywriting tactic helps me to focus on who I am writing to and what problems I need to address in order to get the person to respond.

14. One Objective Only

It's easy for a prospect to get sidetracked and confused. There should only be one central objective of the direct mail piece. You need to determine this objective before you start writing your letter. This may sound too obvious to discuss but it isn't. If you are trying to get people to call your information line to request a free report, don't confuse them by asking them to come into the store.

All your copy should focus on that one central theme. If it's to make a phone call then your testimonials should say, "And when I called the toll free information line..." and your benefit section should say, "and when you call right now you'll receive..." and your call to action at the end of the letter should be, "Call right now."

15. Test and Improve

Sometimes you don't know if you have a bomb on your hands or a true winner. The only way you'll know is if you test. Your first test mailing should always be small. Measure your response rate to determine its successfulness. If you're getting well below a 1% then you should alter something and then test again.

Your first piece you sent is your "control" piece and your next mailing should be compared against it. If your response rate goes up, then your second piece becomes your control piece on your next mailing. If you tweak something and send it again and your results go down, then your second mailing continues to be your control piece. You continually tweak and test until you have a control piece that is bringing in the desired response rate.

Some people ask me what they can expect their response rate to be. My answer is that I have no idea. It depends not only upon the strength of your letter but also on the mailing list it was sent to.

16. The Postscript

Every letter should have a P.S. It is the second-most read item on any direct mail. Make your P.S. a restatement of your offer, your prime benefit, your main idea, and a request to order right now.

Why are postscripts so important? Because normally a person will read the top headline and the bottom of the of the letter

17. Code Everything

In order to test your mailer you should code it so that you know how to track it when responses come back in. If you are asking your prospect to call you, then provide your information line phone number but set up a different voice box to select. This will tell you what your response rate is by counting how many name and addresses are left in this voice box.

If you are sending a coupon for your customer to use when coming into the store you can put a unique code number on it. Make sure you keep a copy of the exact mailer that went out so that you know what your control piece is.

Most responses will come in within the first several days after the mailer goes out. After about a week or two you can count your responses and determine your response rate.

A Few More Great Direct Mail Reference Sites

The following website links are a few more resources for you to peruse that I highly recommend.

www.dmnews.com — Direct Marketing News magazine site.

www.nmoa.org — National Mail Order Association

www.the-dma.org — Direct Marketing Association

www.whosmailingwhat.com — Archives of direct mail pieces.

www.insidedirectmail.com — Newsletter about direct marketing.

www.napco/dmm/dmm1.html — A directory of major mailers and what they're mailing, which contains over 150,000 sample mail pieces (\$399)

www.directmailquotes.com — Get quotes on direct mail jobs (great articles).

Conclusion

Whew! We covered a lot of ground, but honestly, we've just scratched the surface. The science of direct mail marketing is fascinating. It's been honed over many years. Direct mail marketers have used the ideas and tactics that I've shared with you for years with great success.

Every business should be using some form of direct mail in their marketing mix. It's one of the most powerful ways available to get the undivided attention of your prospects.

Try to educate yourself as much as possible on direct mail marketing techniques, but don't let that stand in the way moving forward. Your best lessons will be learned through trying and failing. What you've learned today, coupled with my 12-Step, Foolproof Salesletter Template, will propel you past 90% of the people who are mailing today.

FREE PUBLICITY SECRETS



**How to Get
the Media
to Call, Visit,
and Beg for
Your Story**

By David Frey

Free Publicity Secrets: How to Get the Media to Call, Visit, and Beg for Your Story

The other day I picked up the newspaper and read the headline, “Ex-High School Teacher Helps Struggling Students Improve Their Grades.” The headline immediately caught my eye because I recently developed a system for high school and college students to improve their academic performance.

In the article it talked about a Houston woman who retired from high school teaching, and now holds study skills workshops around town for high school students that need academic help. It included her contact information and website address.

It was a quarter page article in the Houston Chronicle with over one million circulation. When I saw the article I wondered to myself how much that same article would have cost her if she had paid for it.

LOTS!

The Power of the Humble News Article

There are only two ways to land the name of your business in the local newspaper — by paying for an advertisement or by having a newsworthy event that is covered by the local press. Both can be very effective, but the all-mighty news release can provide the level of credibility and respect that can spark on-the-spot sales for your business.

Advertisements contain information that people know is biased. Surveys have shown that the vast majority of people believe that all advertisements contain false or misleading information.

News articles, on the other hand, are written by third-party news organizations that have nothing to gain by endorsing your business. Hence, their believability is high. That’s exactly why your print ads should use an editorial style format. People read editorial style (news article format) seven times more than an advertisement!

Why Are Some News Releases Chosen and Other Not?

Knowing how the press chooses one news release over another will give you an advantage in getting the coverage you’re looking for. Most large pressrooms get hundreds of news releases a day. When yours comes in, it competes with all the others that come in with it.

Typically, an “Assignment Editor” is the person who has the responsibility to determine what is “news” and what isn’t. This person is in charge of reviewing the incoming releases and either assigning them to editors or trashing them. Typically, an Assignment Editor will sift through press releases like you go through your mail...over a wastebasket.

If a news release doesn’t catch their eye they immediately trash it. The first item on the press release that is read is the headline. If you don’t have a catchy headline that grabs the editor’s attention then it won’t stand much of a chance making it to the next step — the first paragraph.

Your first paragraph should tell what your news is, whom it’s about, where it will be, why it’s important, and when it will be held. The opening paragraph needs to get to the point fast with no fluff. If it’s as compelling as the headline, you have a good chance of having the entire release read.

What News Stories Get Covered?

To give your business the best chance of being covered by the local news media, give them what they are looking for. Generally speaking, each of the different media is looking for specific types of news events.

Newspapers want information that is interesting and informative. Newspapers like to educate their readers with timely news and articles that people will find interesting and educational.

Radio is a bit more loose and has an “anything goes” type of style. Radio stations like information that is controversial, funny, or weird. One of the most popular five minutes of a local radio station here in Houston is the “Birthday Scam,” in which the DJs call up an unsuspecting person (on their birthday) and proceed to create a combative and hostile conversation full of accusations and lies. The sparks start to fly and so do the ratings.

Television gets excited about anything that can provide great visuals. Sponsoring a local high school reading contest in which the principal gets dunked in a tub of Kool-aid will get the T.V. station’s attention.

All media love human interest stories. They know that people like to know about other people. In fact, the number one topic of talk radio is relationships. If you have a good human interest story that others would find interesting, you’re on your way to getting lots of free publicity.

Lastly, the biggest mistake that most PR novices make is to pitch an advertisement for their business. The media publishes news...they are not your personal marketing department! You must be newsworthy!

How Muhammad Ali Landed In *Life* (I love this story!)

Getting free publicity is more about making yourself newsworthy than about being newsworthy. As George MacKenzie, a publicity expert, once told me, “There is no boring stories, just boring approaches to interesting stories.” With creativity and a little effort you can make almost any situation newsworthy. The following story is a perfect example of what I mean. It’s a story about how Muhammad Ali received massive amounts of free press in *Life* magazine, the biggest magazine in the country in those days.

After Muhammad Ali turned pro, *Sports Illustrated* did an editorial piece on him. During the photo shoot with the *Sports Illustrated* photographer, Ali asked who else the photographer did work for. He replied, *Life* magazine, but quickly told Muhammad that he didn’t have a chance of being covered in the popular magazine.

Muhammad knew that if he made himself stand out somehow, that the magazine might write him up. After a few minutes of consideration Ali asked the photographer what other kinds of photos he took. The photographer responded, “All kinds, but my specialty is underwater photography.”

So the quick-thinking Muhammad said, “Did you know that I’m the only fighter in the world who trains underwater?” The photographer immediately got interested. Ali then told him that he’d do an exclusive if *Life* wanted to do a story about him.

Before you knew it, Ali was in a pool up to his neck in water dancing and throwing punches with the photographer reeling off pictures. It wasn’t long after that *Life* did a huge spread on Muhammad Ali. He gave the photographer and *Life* magazine what they wanted, and in turn, received massive free publicity.

20 Ways to Make Your Small Business Newsworthy

As I previously mentioned, the key to getting publicity for your business is to make yourself newsworthy. The Muhammad Ali story is a good example of how one man made his own publicity opportunity by being creative and interesting.

To get your creative juices flowing let me suggest 20 ways you can make your business newsworthy.

1. Do a customer survey and include controversial questions. Write articles about the results of the survey. The media loves survey results.
2. Create a top ten list about something in your business. If you’re a beautician, write an article titled, “Top Ten Most Popular Hairstyles for Women.” Top ten lists are very popular: just ask David Letterman.
3. Develop an annual award that you give out to someone in the community or a business in your industry. For instance, give an award to a local outstanding teacher

that has gone above and beyond the call of duty. Or if you're a supplier you can give an award to the "Best" business (customer) in the industry you service.

4. Offer surprising facts about your industry or business. For instance, if you're a recruitment firm, write an article titled, "The Average Starting Salary of An MBA Graduate is 40% Higher Than Their Pre-MBA Earnings."
5. Piggyback off a national story. For example, when the rumors of a recession hit, one business wrote a story about how their business actually improved as a result of the recession. (It was a utility expense auditing firm.)
6. Tie your business in with holidays or special days. For example, tell the media how your massage therapy business helps to reduce stress during the Christmas season and provides gift certificates for welcome relief.
7. Give a rags-to-riches story about yourself as a high school nobody that started her own business and became successful. Remember, the media loves human interest stories.
8. Tie your business into something that took place in the past. Go to your local library and find articles from 50 years ago that may somehow tie into the product or services you provide.
9. Be first. Be the first to offer a 200% double your money back guarantee. Be the first to offer an on-site car wash with every sale. Be the first to give your employees ownership in your business. Think of something at which you can claim to be the first.
10. Host a "Kids are the Boss Day!" Hand your business over to your 14 year old kid or one of your employee's young children for the day.
11. Run a "silliest thing" or "dumb mistakes" contest with your customers. For instance, if you're a shoe repair shop, ask your customers for the silliest things they've ever done with their shoes. If you're a sport goods retailer ask your customers for the dumbest mistakes they've made while camping. These are great human interest stories that the press will love.
12. Sponsor a local community service project. For example, if you're a dry cleaner, clean the clothes for all the visitors of the local food shelter. If you're a fast food retailer, hold a free lunch day for disabled children. If you're a car repair shop, offer oil and lubes to the parents of Boy Scouts and donate all the proceeds to the Boy Scouts of America.
13. Throw a one-of-a-kind customer appreciation theme party, such as a luau with Polynesian cultural dancers, or a magical theme party in which customers can bring their children to watch a magician do incredible tricks.
14. Do you have a customer that uses your products in an unusual way or uses your product to become a high achiever? If you run a gym, is one of your customers a bodybuilding champion? If you own a bike shop, is one of your customers a champion trial racer? If you manage an electronics store, do you have a customer who has invented a whiz-bang contraption?

15. Take on the sacred cows of your industry and challenge them. If you're a human resource consultant, give employee-of-the-month programs a severe drubbing. If you're a Taco Bell manager, tell consumers how "real" Mexican food actually tastes bland and boring. If you're a home-based business person, write about how corporate America is suffocating good people.
16. Close down your business for one day a year and have your entire staff do a day of charity work. Headlines would read, "Local Print Shop Closes Doors to Help the Needy!"
17. Recently I had a client whose business burnt down. He built it back up and is now doing more business than ever. Has your business survived a tragic incident (like the recession) and made it through with flying colors?
18. Write a general interest story about the problem that your product or service solves. If you're a car detailer you could write about how oxidation and rust destroys the integrity of your car and makes it unsafe to drive. If you sell website services write about hosting problems or the effects of poor website design and how to solve them.
19. Why did you start your business? If you started your business because you were dissatisfied with the provider you were using (or the employer you worked for), let the press know. For instance, you went into the Italian restaurant business because the Italian food in the local area wasn't authentic. Maybe you started pool cleaning service because of the lousy job service providers were doing on your own pool.
20. Prove a myth or stereotype in your industry wrong. For instance, if you're a hot tub dealer, show a man who sits in his hot tub every night and has 12 children (meaning the hot water really doesn't kill your sperm!).

How you make your business newsworthy is only limited by your creativity and ingenuity. Remember, there are no boring stories, just boring approaches to interesting stories.

Tips from the PR Pros

The following are several "tip lists" from professional PR people. Pay attention, because these people have been doing PR for years and have learned the insider secrets to getting free publicity from "in the trenches" experience.

7 Tips from Mark Nolan, Author of the \$3M best seller, Instant Cash Flow

1. Code your releases to track the results
2. Put ordering info in the middle of the release to reduce the chance it will be cut out if edited
3. Use an "angle" to turn common products into news
4. Read lots of newspapers to learn how to write like a journalist

5. Read the National Enquirer, Cosmopolitan and Readers Digest to learn how to write headlines
6. Keep the release short — 1 page, 250 words, doubled space is best
7. Tell a story; write the release just like you'd like to see it in print

10 Tips from Joan Stewart, (a.k.a. The Publicity Hound, a 20-year veteran newspaper editor)

1. Send news releases about new products and services, contests, awards, open houses, speaking engagements.
2. Write “how-to” articles for newspapers, magazines, trade publications and newsletters, and offer lots of free advice. It helps establish you as an expert.
3. Get onto the speaking circuit. Speaking to community groups and trade associations is a wonderful way to “create the buzz” about your business.
4. Create a web site that offers free advice, reciprocal links, articles by and about you, story ideas about your business and a list of experts the media can contact.
5. Start an ezine. A free electronic newsletter helps you sell your products and services to an international audience.
6. Get to know reporters. Offer yourself as someone they can call on for background, commentary and story ideas. Call and ask, “How can I help you?”
7. Start your own TV show on your local cable TV company's public access channel. Airtime is free. You pay a minimal amount to rent the camera equipment.
8. Look for photo opportunities. Local newspapers, TV stations, weekly shoppers, trade publications and other media are always looking for interesting photos. Call the media with ideas, or submit your own photos.
9. Give free classes and demonstrations through adult education programs, at schools and colleges, or at your own business.
10. Participate in online discussion groups and offer lots of helpful advice. Use a signature file in your e-mail that explains what you do and how you can help solve people's problems. Link to your web site.

8 Deadly Press Release Sins by Joan Stewart

1. Providing insufficient or wrong information, particularly telephone numbers. Releases must be complete, accurate and specific.
2. Writing too long. They should be no longer than two pages.

3. Sending too late. Mail or fax a release at least two weeks before an event, preferably three or four.
4. Sending a release with no news value. News is what happens that is different. If it isn't different, it isn't news.
5. Blatant commercialism. Using flowery words and phrases such as "spectacular," "incredible" and "the only one of its kind."
6. Omitting a contact name and phone number. At the top of the first page in the left corner, let editors know who they can call if they have questions.
7. Calling after you send a release. Questions like "Did you get my news release?" or "Do you know when it will be printed?" will brand you as a pest. Don't follow up with a phone call to see if the media got your release unless you are absolutely sure that someone in the newsroom will check for you. Most reporters and editors don't have time.
8. Using outdated media reference books. Double-check to see if the person to whom you are sending the news release still works there, and if the address is the same. A news release sent to an editor who left the paper ten years ago eventually will be routed to the right person, but they'll think you don't care about the paper or who works there.

10 Tips from Susan Harrow, President of Harrow Communications, a media coaching and marketing firm in Northern California.

1. **Pitch a producer or editor in 20 seconds.** Within that 20 seconds pitch something that's newsworthy, not yourself, your service, product or book.
2. **Study the style of the publication or show** and match your style to theirs.
3. **Propose a topic that is relevant to the producer or editor's audience.** The number one question a media person asks after, "Is it news," is "Will this information serve my audience now?"
4. **Prove you are the expert on the topic you're proposing** by telling ONLY the information in your biography that is relevant to the idea you're pitching.
5. **Use humor, shocking statements or emotionally laden ideas.** Highly charged subjects mean better ratings for TV and radio shows, and a greater readership for print publications.
6. **Gain a producer or editor's interest in one paragraph** rather than inundate them with materials. Avoid sending lengthy press kits.
7. **Email your pitch to a producer or editor.** Many members of the media respond more quickly via email. But be respectful. Email only a paragraph and make sure your headline is a real head-turner. Never send attachments.

8. **Include all your contact information.** Not including your cell phone, pager number, fax, phone, or email can mean making or missing an interview for a story.
9. **Become a walking sound-bite.** Be ready to be interviewed at any time.
10. **Be Persistent.** If you haven't come up with the right angle today, try again, and again, and again.

8 PR Pitch "Etiquette" Secrets from Bill Stoller of PublicityInsider.com

1. **Don't call to "see if they got your release."** Journalists hate this. If you really want to get a story in the Post, call first to pitch your story and then follow up with your release, photos, etc.
2. **Plan your call around their deadlines.** Most papers are morning editions. Thus, journalists' deadlines range from 2 p.m. local time and on. Don't call during this time! The best time to reach a newspaper journalist: 10 a.m. to noon local time.
3. **Don't start pitching right away!** This is rude, as the editor may be on the other line, working on a story, entertaining guests or who knows what else. Start by saying something like, "Hi Ms. Smith, my name's Bill Jones and I have a story suggestion you might find interesting. Is this a good time for you?"
4. **Pitch to the voice mail.** It's fine to pitch your story to the reporter's voice mail. Keep it very short and end the message with your phone number. If you don't hear back, try again until you get the actual reporter or editor on the phone.
5. **Don't read from a script!** The bane of many journalists' existences is 22-year-olds sitting in cubicles in big PR firms reading pitches off a sheet of paper. If a telemarketer doing the same thing has ever called you, you know how annoying it can be. Practice your pitch so that it seems natural and spontaneous.
6. **Give them a story, not an advertisement.** Newspapers do not exist to give you publicity. They exist to provide readers with interesting stories. Make your pitch newsy, exciting and relevant.
7. **Follow up immediately.** If she's interested, the editor will ask for more information. Be sure you have a press kit (including news release and photo) ready to send. Send it out via priority mail, and write "Requested Information" below the address.
8. **Call again.** Now it's appropriate to call to see if the editor received your stuff...after all, unlike a mass-mailed release, she asked for it! Ask if she's had a chance to look through it, and what she thinks. If she likes what she sees, you're about to get some very valuable publicity!

Answers to Common Questions that Improve Your Chances of Coverage

Perhaps the main roadblock for many is not coming up with the news idea, but the technical details of submitting the release. The following are common questions that many business owners have about submitting press releases and receiving coverage from the press. These are not hard and fast rules but only suggestions to use as guidelines.

Question # 1: Should I call the editor on the phone?

Usually not. It's better to use the normal established channels. The assignment editor is very busy and is often annoyed by phone calls. If you do call an editor, always ask, "Is this a good time to speak with you?" If not, then ask when you can call back. Have your elevator speech prepared. Be able to give the what, who, where, when, how and why it would interest their audience in 60 seconds or less.

Question # 2: How do I establish credibility with editors?

Have something newsworthy to contribute. Never use the word "publicity." Editors hate that word because it compromises their independence. Send a thank you note when you get published. Know what the publication and the publication's audience are looking for in respect to interesting information. Get to know the editor that's most important for you by offering your expertise as a resource.

Question # 3: How often should you send news releases?

Whenever you have a newsworthy event. Once a week is a bit much but once a month may be just right. Usually most business owners have trouble not sending releases rather than sending too many.

Question # 4: How do I format the release?

At the top of the release include your name and address, and then include your current contact information. Your contact data needs to be complete. There's nothing worse than an editor trying to get a hold of you and getting a recording.

After the "For Immediate Release" start with your headline and include a sub-headline to further clarify the objective of your release. Include the name of your city and conclude with a "###" which signifies the end of the article.

Marketing Best Practices
2507 W. Bay Area Blvd. Suite 1534
Houston, TX 77546

Contact: David Frey
Office: (281) 993-5657
Cell: (713) 853-9984

Home: (281) 994-9983
Fax: (917) 591-2798
email: David@MarketingBestPractices.com
For Immediate Release.

10 SMALL BUSINESS MARKETING STRATEGIES FOR BEATING THE RECESSION

By following these 10 strategies, the recession can be a time of opportunity for the savvy small business owner.

Houston, TX— blah, blah, blah

#

Here is an actual press release that resulted in an traffic explosion:



MEDIA

For Immediate Release
Contact: David Frey, President — MaketheGrade.com
Contact Email: David@MaketheGrade.com
Direct Line Phone Number: 281-993-5657
Cell Phone Number: 713-301-4022

Beating the Back-to-College Blues

Six Stress-Saving Tips for Parents and their College Students

Parents can relieve a lot of their college student's anxiety — and their own — as the beginning of a new school year approaches, according to **David Frey**, author and teacher. "Perhaps the most helpful thing you can do now is to start creating a "back-to-college checklist" to help your child prepare for the new year." says Frey.

To help you get a jumpstart Frey offers a free, "back-to-college checklist" that you can get by sending a blank email to checklist@makethegrade.com. Frey also suggests the following six additional tips to help you and your college student prepare for the upcoming school year.

1. Instill a Positive Attitude — Listen carefully to what your child says about college and focus on those positive things that they like about school. In addition, help your child clarify their career goals. Having a vision of the future will motivate them to set goals and do better academically.

2. Get Organized — Being organized often provides more psychological benefits than physical benefits. Purchase a student planner that will allow your child to note special events, track expenses, schedule classes and study group times, and create “to-do” lists.

3. Create a Successful Living Environment — Make sure there is a place for everything and then make sure that everything is in its place. Help them develop a filing system for papers and classroom notes. Consider buying your college student some motivational wall posters. (A great resource for posters is www.successories.com.)

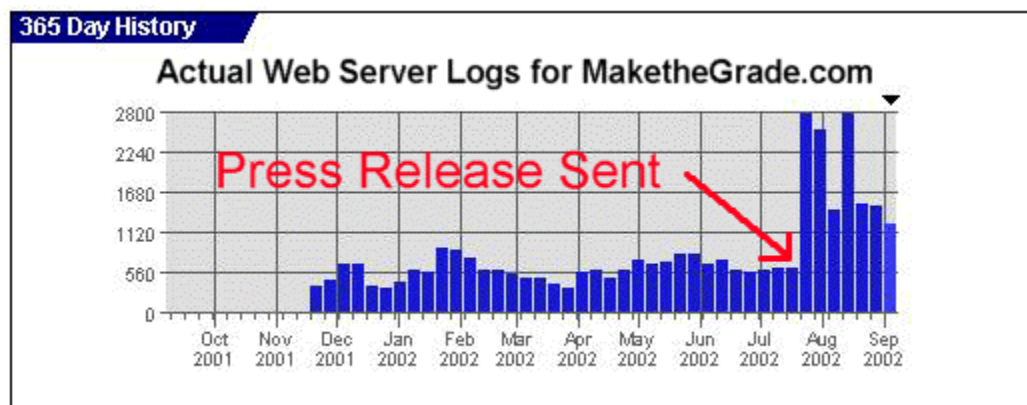
4. Develop a Financial Plan — College is no small expense and you should take the time necessary to help your child to establish a budget. Be sure to set expectations with your child about what you will and won’t contribute to financially. Consider having them “sign off” on their budget plan.

5. Encourage Your Child to Find Good Friends — Studies have shown that the student’s peer group is the single most potent source of influence on growth and development during the undergraduate years. Urge them to participate with other students in volunteer, academic, and creative campus associations.

6. Review Basic Study Skills — The difference between mediocre students and successful college students is not necessarily how smart they are, but knowing how to apply successful study skills to their everyday academic life. Ensure that they take a course to help them learn proper study skills.

David Frey is the author of the “Make Straight A’s in School” academic improvement system, which can be found at www.MakeTheGrade.com.

This is an actual picture of my website traffic logs that demonstrates the results of good press release.



Question # 5: What other things should I send with my release?

Some PR experts say that you should include a cover letter with your release or a press kit. These may be a company brochure, a bio, fact sheets or previous press clippings. If your press release is strong enough to stand on its own it won't need all the extraneous other items. Remember, all editors are very busy people. The easier you make it for them, the higher chance you have of being published.

Question # 6: How do I send the release?

Basically, there are four ways to send a press release: (1) fax, (2) letter, (3) email and (4) telephone. There are advantages and disadvantages to each medium. Most press releases arrive by fax. The advantages of a fax is that it's already in print form, it's very simple to blast it to many editors, and it's very inexpensive to do.

If you know the editor and decide to add other supporting documents with your release, a simple letter in an envelope works well. If you address the letter to a specific editor make sure you have their name correct and spelled right. Just call the local paper and ask for the name of the editor that covers the story you're writing the release about.

Email is becoming very popular as a way of sending press releases. If you send your release through email, do not send it in an attachment. Editors are scared of viruses and will delete it immediately. Just send it in text form.

To pitch your story by phone prepare a twenty-second elevator speech about your newsworthy story. Then get the name of the reporter, columnist or producer, call them up and ask if it's a good moment to share your news and that it will only take 20 seconds. If they say yes, deliver your pitch.

Of the four mediums I would put my money on the simple fax. It will get a look and there are a lot of resources that can blast it out to hundreds (thousands) of locations.

Question # 7: What do I do after I send the release?

Don't call the editor just to ask them if they got your news release and to answer their questions. They did get it and if they have any questions they will call you, rest assured.

Question # 8: What are some websites where I can go to learn more about getting free publicity?

www.get-free-publicity.com — This site belongs to George McKenzie, a San Antonio Veteran TV Anchor and Radio Talk Show Host and President, The Academy of Marketing and Advertising.

www.publicityhound.com — Joan Stewart, (a.k.a., the Publicity Hound) is a former newspaper editor and reporter of more than 20 years.

www.publicityinsider.com/ — Bill Stoller is a veteran PR professional with a wealth of experience who has worked with big names such as Colgate, Coca Cola, and Hasbro to name a few.

101publicrelations.com/ — This site belongs to 101publicrelations.com who is a marketing and consulting firm specializing in PR related activities.

www.prprofits.com — Paul Hartunian is one of the best known “free publicity” people around. He’s best known as the guy who sold the Brooklyn Bridge.

www.prsecrets.com — Susan Harrow is known for getting people on the Oprah Winfrey show (where instant millionaires are made).

Question # 9: Where are some Internet websites that will send my release?

The following are just a few of the resources you’ll find on the net to distribute your press releases.

Automated Press Releases — Reasonable prices for industry-specific e-mail distribution of releases www.automatedpr.com/

BookFlash — Just \$145 for distribution of news about your book to 5,000+ editors, reviewers, booksellers, librarians, etc. www.bookflash.com/

Business Wire — Efficient vehicle for distributing business-oriented news releases www.businesswire.com/

Canada NewsWire — Use this distribution service for news specific to Canada www.newswire.ca/

eReleases — Service that delivers your releases to general and targeted media contacts by email www.ereleases.com/

Hispanica e-PR — Gets your news out to media in Latin America, Spain and the U.S. www.hispanicapress.com/

HispanicPRWire — If you need to reach Hispanic media in the U.S., use this service www.hispanicprwire.com/

iMediafax — Service that faxes topical news releases to editors and producers nationwide for \$.25 a page www.imediafax.com/

Internet News Bureau — Email news release distribution service for Web-related material www.internetnewsbureau.com/

M2 PressWIRE — Europe's largest international press release distribution network; charges a flat annual fee rather than per release www.presswire.net/

MediaWeb — Distribution to media within South Africa
www.mediaweb.co.za/submitnews.asp

Press Release Centre — Low-cost distribution of your news to Australian media
www.pressrelease.com.au/

PR Newswire — Like BusinessWire, but geared to distributing releases on general (not business) topics www.prnewswire.com/

Press Flash — Fax distribution of Internet-related stories www.pressflash.com/

Press Release Network — Offers, among other options, distribution to the Top 100 Internet Publications for only \$99 www.pressreleasenetwork.com/

PR Web — Free wire service containing all type of releases. www.prweb.com

Question # 10: Where do I find editors to send my press releases to?

Alternative Press Online Directory — Jump site for hundreds of leftist, feminist and alternative-lifestyle publications www.altpress.org/direct.html

Directory of Local Daily and Weekly Newspapers — State by state, town by town listings of local newspapers and contact info
www.bizmove.com/media_directory/local-media.htm

Ecola — Jump site for more than 8,400 newspapers and magazines and 1,100 TV stations
www.ecola.com/

e-TradingPost — Free submission of your release to your selection of national TV stations, newswire syndicates and top 100 daily newspapers
www.e-tradingpost.com/publicity.html

MediaINFO — Unlike other online media directories, this one also includes city guides, syndicates and news services emedia1.mediainfo.com/emedia/

News365 — Another media jump site, not as complete as Ecola or Newslink but contains topical Web sites that the others miss www.news365.com/

Newslink — Find links here to thousands of newspapers, magazines, radio and TV stations worldwide ajr.newslink.org/

US Newspaper Links — Extensive although incomplete links to U.S. newspapers, radio stations and TV stations by state and locality www.usnewspaperlinks.com/

Conclusion

The information in this chapter was just the tip of the iceberg in regards to getting free publicity. There are so many ways and methods of making you and your business newsworthy and getting the media's attention. I recommend setting a goal for submitting one press release a month.

The experience of writing and submitting a release itself is invaluable for your own personal marketing education. Getting free publicity should be a part of every business' marketing plan. Plan events throughout the year that will get aired on the radio and local TV stations and be covered by the newspaper.

Money can't buy what the press can give you.